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Original Title Page

TRANS-PACIFIC AMERICAN FLAG BERTH OPERATORS AGREEMENT

FMC Agreement No. 202-008493
Second Edition

A Conference Agreement
Among Ocean Common Carriers

EFFECTIVE
MAY 22 1999
UNDER THE SHIPPING ACT OF 1984
Federal Maritime Commission

Note: This Agreement was last republished with effect from November 8, 1985.
It does not contain an expiration date.

13

TABLE OF CONTENTS

ARTICLE	PROVISION	PAGE
1	NAME OF AGREEMENT	2
2	PURPOSE OF AGREEMENT	2
3	PARTIES TO AGREEMENT	2
4	GEOGRAPHIC SCOPE OF AGREEMENT	2
5	AGREEMENT AUTHORITY	3
6	OFFICIALS OF AGREEMENT AND DELEGATIONS OF AUTHORITY	4
7	MEMBERSHIP, WITHDRAWAL, READMISSION AND EXPULSION	5
8	VOTING	6
9	DURATION AND TERMINATION OF AGREEMENT	6
10	NEUTRAL BODY POLICING	6
11	PROHIBITED ACTS	6
12	CONSULTATION; SHIPPERS' REQUESTS AND COMPLAINTS	7
13	INDEPENDENT ACTION	7
14	SERVICE CONTRACTS	9
15	BREACH OF AGREEMENT	10
16	ARBITRATION	10
17	EXPENSES	11
-	SIGNATURE PAGE	12

ARTICLE 1 - NAME OF AGREEMENT

The name of this Agreement is the "TRANS-PACIFIC AMERICAN FLAG BERTH OPERATORS AGREEMENT."

ARTICLE 2 - PURPOSE OF AGREEMENT

The purpose of this Agreement is to assist American Flag Berth Operators to establish and maintain efficient, reliable, stable and economic liner transportation services in the Trade.

ARTICLE 3 - PARTIES TO AGREEMENT

The parties to this Agreement are the following American Flag Berth Operators:

American President Lines, Ltd
1111 Broadway
Oakland, CA 94607

A.P. Moller-Maersk A/S
(dba) Maersk Sealand
50 Esplanaden
1098 Copenhagen K, Denmark

ARTICLE 4 - GEOGRAPHIC SCOPE OF AGREEMENT

This Agreement covers the transportation of cargoes described in Article 5.1 on liner vessels, whether moving in all water or inter- modal service, direct or by trans-shipment, in the trades and various sub-trades (collectively, the "Trade") between ports and points in the Far East and ports in the United States (including Hawaii and Alaska, and its commonwealths, territories and possessions) and interior and coastal points in the United States via such U.S. ports. For purposes of this agreement, "Far East" includes Japan, Korea, Taiwan, Siberia, People's Republic of China, Hong Kong, Vietnam, Kampuchea, Thailand, Laos, Republic of the Philippines, Republic of Singapore, Federation of Malaysia, Sultanate of Brunei, Republic of Indonesia and all

countries in the South Asia/Middle East region from Suez to Myanmar inclusive, Sri Lanka and Africa bordering on the Red Sea, Gulf of Aden, Arabian Sea, Gulf of Oman, Arabian/Persian Gulf and Bay of Bengal.

ARTICLE 5 - AGREEMENT AUTHORITY

5.1 The parties may from time to time meet, discuss and agree upon rates, terms and conditions under which household goods, personal effects and unaccompanied baggage, including privately-owned passenger vehicles, motorcycles and boats (excluding yachts), for U.S. Government Departments and Agencies and moving under through Government bills of lading or similar shipping documents executed by carriers and forwarders approved or otherwise accepted by said Departments and Agencies, shall be carried in the Trade.

5.2 Any tariff, schedule or compendium of such rates, terms or conditions, or any particular such rate, term or condition, agreed upon and approved by unanimous vote of all parties pursuant to Article 8.2 shall be binding upon and adhered to by all parties, subject to each party's right of independent action under the Shipping Act of 1984, as amended ("Shipping Act"). The parties are authorized to utilize a common tariff or tariffs covering their services in the Trade.

5.3 Credit for payment of freight and other charges due under any tariffs published pursuant to this Agreement may be extended by the parties as permitted by and in accordance with rules and provisions and related bonding requirements (including rules and provisions in any standard credit agreement or indemnity bond forms) approved by unanimous vote of all parties pursuant to Article 8.2 and set forth in such tariffs. However, even if such credit has been approved and implemented, no credit shall be extended by any party to any shipper or consignee that the Secretary or his designee has advised the parties in writing is delinquent in the payment of freight or other charges to any party under tariffs published pursuant hereto.

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5.4 This Agreement covers service contracts, as provided more fully in Article 14.

5.5 To establish uniform practices with respect to weight and measurement inspection, the parties may jointly employ inspection services at origin and/or destination, and establish procedures for reporting and correcting discrepancies. Such misrating and inspection services shall coexist with any Neutral Body activities authorized pursuant to Article 10 and described in Appendix A.

5.6 Approvals and agreements provided for in this Agreement may be accomplished by telephonic or telegraphic poll or other communication systems, but if so shall be reduced to a written memorandum or other form of writing. A memorandum of all agreements reached by the parties pursuant hereto not otherwise in writing shall be prepared and copies promptly circulated to all parties and, where required under the Shipping Act, a copy shall be filed with the Federal Maritime Commission ("FMC").

ARTICLE 6 - OFFICIALS OF AGREEMENT AND DELEGATIONS OF AUTHORITY

6.1 The parties may appoint and supervise a Secretary to coordinate the activities of the parties hereunder and perform such other duties within the scope of this Agreement as may be delegated to him. The FMC will be advised of the appointment of any such Secretary.

6.2 Meetings may be called by any party with no particular requirements as to advance notice.

6.3 The parties may submit to the Secretary statistics of their cargo carryings in the Trade by revenue tons, and such other information and data as they may agree from time to time, subject to the protection of such confidential service contract information and such aggregation of individual member data as may be appropriate, and the Secretary is authorized to compile and distribute to the parties such reports and data compilations as the parties may deem necessary or desirable.

6.4 The Secretary or his designee shall certify, when this is required, as to the accuracy and completeness of reports or other material filed with the FMC.

6.5 Upon action taken by the parties in accordance with this Agreement, the Secretary and agreement counsel are each authorized to sign and/or file amendments of this Agreement with the FMC on behalf of the parties.

ARTICLE 7 - MEMBERSHIP, WITHDRAWAL, READMISSION AND EXPULSION

7.1 Any American Flag Berth Operator performing ocean common carrier transportation within the scope of this Agreement and who evidences an ability and intention in good faith to abide by all the terms and conditions of this Agreement, as amended, may hereafter become a party to this Agreement by affixing its signature hereto or to a counterpart hereof. Every application for membership shall be acted upon promptly and no carrier who has complied with the foregoing qualifications shall be denied admission or readmission to membership. No admission to membership shall be effective prior to the filing of an appropriate amendment with the FMC. Advice of any denial of admission to membership together with a statement of the reasons therefor shall be furnished promptly to the FMC.

7.2 Any party hereto may withdraw from this Agreement by giving thirty (30) days' written notice to the Secretary and all other parties. Prompt notice of such withdrawal shall be given to the FMC by the withdrawing party, and no withdrawal shall be effective prior to the filing of an appropriate amendment with the FMC.

7.3 No party may be expelled against its will except for the failure to maintain a service within the scope of this Agreement over a period of ninety (90) days, or for failure to abide by any term or condition of this Agreement. No expulsion shall become effective until a detailed statement setting forth the reason or reasons therefor has been furnished the expelled member and an appropriate amendment has been filed with the FMC.

ARTICLE 8 - VOTING

8.1 This Agreement may be amended or modified only by unanimous agreement of all parties.

8.2 Except as otherwise specifically provided in this Agreement or any appendix hereto, all actions and decisions concerning matters subject to this Agreement shall require a unanimous affirmative vote of all parties.

8.3 Each party shall be entitled to one vote. The parties' votes may be taken at a meeting, or by telephone conference call or other electronic polling means.

ARTICLE 9 - DURATION AND TERMINATION OF AGREEMENT

This Agreement shall continue in effect indefinitely until canceled by the parties by a vote of unanimity-less-one of all parties.

ARTICLE 10 - NEUTRAL BODY POLICING

Upon written request of one party submitted to the Secretary, with copies to all other parties, the Agreement shall engage the services of an independent neutral body ("Neutral Body") to police fully the obligations of the Agreement and its parties. In the event that a Neutral Body is employed, the terms and conditions of such employment will be determined by a separate contract, and the Neutral Body authority and procedures relating thereto will be described in Appendix A to this Agreement.

ARTICLE 11 - PROHIBITED ACTS

This Agreement shall not engage in any boycott or take any other concerted action resulting in an unreasonable refusal to deal, or engage in any predatory practice designed to eliminate the participation, or deny the entry, in the Trade of a common carrier not a party to the Agreement, a group of common carriers, an ocean tramp or a bulk carrier.

ARTICLE 12 - CONSULTATION; SHIPPERS' REQUESTS AND COMPLAINTS

12.1 Consultation. The parties or their designated representative(s) will, upon written request, meet with the requesting entity on reasonable notice in order to promote the commercial resolution of disputes to the extent permitted by law and to cooperate in preventing and eliminating malpractices.

12.2 Shippers' Requests and Complaints. The Agreement will promptly and fairly consider shippers' requests and complaints and advise the shippers as to action taken on such requests and complaints. Requests and complaints may be made by filing with the Secretary or other Agreement representative a statement which specifies the exact nature of the request or complaint and the relief requested. The Agreement will promptly distribute this statement to each party to be considered at an appropriate meeting soon after its distribution. The Agreement will render a decision on the request or complaint at or promptly after this meeting. This decision will be in writing, signed by an Agreement representative and served upon the shipper. The procedures for filing requests and complaints shall be set forth in the Agreement tariff or tariffs.

ARTICLE 13 - INDEPENDENT ACTION

Notwithstanding any other provision of this Agreement, any party may take independent action on any matter within the scope of the authority conferred by this Agreement, by complying with section 5(b)(8) of the Shipping Act and the following procedures:

(1) The party taking independent action shall give the Secretary five (5) calendar days' advance written notice of the tariff matter or item it intends to implement by independent action. The notice must state the date on which the action is to become effective; but such effective date may not be earlier or later than five (5) calendar days after receipt of the notice by the Secretary, except as otherwise required by FMC regulations in the case of a new or increased rate. Receipt of such notice shall be the day it is actually received at the Secretary's office, except that if the notice is received at the Secretary's office after regular business hours or

on a weekend or holiday, when the Secretary's office is officially closed, receipt shall be deemed to be as of the next regular business day.

(2) The Secretary will promptly docket the independent action for consideration by the Agreement. If the Agreement does not adopt the tariff matter or item stated in the notice for all Agreement parties by the effective date specified in the notice, it will be published by the Agreement on behalf of such party to be effective no later than the date specified in the notice. No independent action of a party, whether pending or in effect, shall be canceled or altered without its consent.

(3) Any party may elect to adopt an independent action initiated by another party by giving written notice to the Secretary. Such "following" independent action may not have an earlier effective date than the initial independent action; and it must be identical to the initial independent action.

(4) An independent action may be withdrawn by any party taking such action at any time prior to its effective date or, after its effective date, it may be canceled upon written notice by such party to the Secretary subject to any applicable tariff publishing and notice requirements. An independent action remains at all times subject to the provisions of this Agreement. Thus, any subsequent change by a party in a tariff matter or item on which the party has taken independent action which results in a reduction in cost to the shipper or consignee must be accomplished by further and separate independent action taken pursuant to this Article 13. In the case of any change by a party in an independent action which results in an increase in cost to the shipper or consignee, the party shall make such change by giving the Secretary twenty-four (24) hours notice of the change, subject to any applicable tariff publishing and notice requirements.

ARTICLE 14 - SERVICE CONTRACTS

14.1 The Agreement may offer, negotiate, enter into, amend and implement service contracts as defined in section 3(19) of the Shipping Act. A party may elect not to participate in an Agreement service contract, or to limit its participation, in which event the contract shall so state. A party which has initially chosen not to participate or to limit its participation in an Agreement service contract may thereafter elect to participate or remove the limitation as to its participation by notifying the Secretary in writing which shall include the effective date of its participation or of the removal of its limitation. Each Agreement service contract entered into hereunder shall be filed with the FMC and its essential terms published in accordance with applicable FMC regulations. The Secretary or other designee authorized by the parties may offer, negotiate, execute and amend one or more Agreement service contracts on the parties' behalf.

14.2 Nothing in this Agreement shall (a) restrict a party or parties from offering, negotiating, entering into, amending and implementing individual and/or group (multi-carrier) service contracts or (b) require a party or parties to disclose the negotiation of an individual or group service contract, or any terms or conditions thereof other than those terms and conditions required by section 8 of the Shipping Act to be disclosed as part of an essential terms publication. The parties are authorized but not required to exchange and discuss information pertaining to independent and group service contracts as is available in the public domain by reason of legal requirements or where all shipper parties to a service contract have consented to such disclosure.

14.3 The parties are authorized to agree upon voluntary guidelines relating to the terms and procedures of Agreement service contracts and of a party's individual or parties' group service contracts, which guidelines may include a standard or model Agreement service contract to which any party or parties may refer as a basis for negotiating service contracts with shippers; provided, however, that any such voluntary guidelines (a) shall explicitly state the right of each party not to follow the guidelines and (b) shall be submitted to the FMC on a confidential basis in advance of the guidelines' use by any party where required by FMC regulations.

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15.1 Except with regard to service contracts, it shall be a breach of this Agreement to undertake any independent action without complying with the provisions of Article 13 governing such action. It shall also be a breach of this Agreement for any party, either directly or indirectly by whatever means, to engage in the transportation of cargoes subject to this Agreement at rates or upon terms and conditions other than those: (i) agreed upon hereunder; (ii) set forth in any separate tariffs which apply to the services involved; (iii) established pursuant to a right of independent action; or (iv) set forth in an effective service contract (provided, however, that this clause (iv) does not authorize disclosure among the parties of confidential service contract information).

15.2 Each party shall be responsible for the acts or omissions of its officers, employees, agents and sub-agents, and of its parent, subsidiary, associated, related or affiliated companies, as well as of any other persons, firms or corporations in any manner subject to its control (collectively "associates") , which acts or omissions may in any manner affect the Trade covered by this Agreement. Every act or omission of any associate in violation of this Agreement shall be imputed to the party and shall constitute a violation by the party as fully as if done by the party itself.

ARTICLE 16 - ARBITRATION

Should any dispute arise between or among any parties concerning or based upon this Agreement, the matter in dispute shall in all cases be referred for resolution to a single arbitrator in San Francisco, California, or such other place as may be mutually agreed by the parties to the dispute. The arbitrator shall be appointed by the mutual agreement of the parties to the dispute or, failing such agreement and upon application by one of them, by the American Arbitration Association. Except by agreement of the parties to the dispute, there shall be no pre-hearing discovery. The decision of the arbitrator shall be final, binding and not subject to further review,

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and may be enforced by a prevailing party in any court having jurisdiction; provided, however, that the arbitrator may not award punitive damages. The costs and expenses of such arbitration (including reasonable attorney's fees and costs incurred by a party or parties) shall be borne by the non-prevailing party or as the arbitrator shall otherwise determine.

ARTICLE 17 - EXPENSES

Any expenses incurred in carrying out this Agreement shall be borne by the parties as they may from time to time mutually agree pursuant to Article 8.

SIGNATURE PAGE

IN WITNESS WHEREOF, the parties have caused these amendments to the Agreement to be executed by their respective officers or agents thereunto duly authorized. This Agreement may be executed in counterparts, each of which will constitute an original hereof.

AMERICAN PRESIDENT LINES, LTD.

By: _____

Name: Howard A. Levy

Title: Attorney-In-Fact

~~A.P. MOLLER MAERSK SEALAND~~
A.P. MOLLER-MAERSK A/S (dba)
MAERSK SEALAND

By: _____

Name: Howard A. Levy

Title: Attorney-In-Fact

New York, N.Y.
September 15, 2004