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FEDERAL MARITIME COMMISSION

TITLE PAGE

"JAPANESE-FLAG FAR EAST-UNITED STATES  
DISCUSSION AGREEMENT"

AGREEMENT NO. 203-

(A Cooperative Working Agreement Among  
Ocean Common Carriers)

Entered into: March 7, 1986

Last Republished: Not Applicable

Expiration Date: Indefinite Term  
with Right of  
Termination upon  
Unanimous Concurrence



TABLE OF CONTENTS

<u>Article</u>		<u>Page</u>
	WITNESSETH	2
1	NAME OF AGREEMENT	2
2	PURPOSE OF THE AGREEMENT	2
3	PARTIES TO THE AGREEMENT	2
4	GEOGRAPHIC SCOPE OF AGREEMENT	3
5	AGREEMENT AUTHORITY	3
6	OFFICIALS OF THE AGREEMENT AND DELEGATIONS OF AUTHORITY	6
7	WITHDRAWAL	7
8	VOTING	7
9	DURATION	7
10	EFFECT	7
11	EXPENSES	8
	SIGNATURE PAGE	9

AGREEMENT NO. 203-

This AGREEMENT made in Tokyo, Japan the 7th day of March, 1986, by and between the undersigned parties.

WITNESSETH:

NOW, THEREFORE, in consideration of the premises and of the mutual undertakings of the parties, it is hereby agreed as follows:

1. NAME OF AGREEMENT

This AGREEMENT may be referred to as the "Japanese-Flag Far East-United States Discussion Agreement."

2. PURPOSE OF THE AGREEMENT

The purpose of this AGREEMENT is to establish a cooperative working agreement in order to permit the parties to enter into discussions and to agree upon and present common positions relevant to trade and transportation matters of mutual concern in furtherance of providing a stable, efficient and economic transportation system in the ocean commerce of the AGREEMENT trades.

3. PARTIES TO THE AGREEMENT

The parties to the AGREEMENT are:

Kawasaki Kisen Kaisha, Ltd.  
Hibiya Central Bldg.  
2-9, Nishi-Shinbashi 2-Chome  
Minato-ku  
Tokyo 105 Japan

Mitsui O.S.K. Lines, Ltd.  
1-1, 2-Chome Toranomom  
Minato-ku  
Tokyo 105-91 Japan

Nippon Yusen Kaisha  
3-2, Marunouchi 2-Chome  
Chiyoda-ku  
Tokyo 100 Japan



4. GEOGRAPHIC SCOPE OF AGREEMENT

The AGREEMENT trades shall include ports and points in the Far East and the United States. The "Far East" is defined as Japan, Siberia, Korea, Peoples Republic of China, Taiwan, Hong Kong, Macao, Thailand, Democratic Kampuchea (Cambodia), Vietnam, Singapore, Malaysia, Laos, Burma, Brunei, Philippines, Indonesia, Australia and New Zealand. The "United States" is defined as the several states thereof, including its commonwealths, territories and possessions.

5. AGREEMENT AUTHORITY

A. The parties are authorized to discuss, consider, exchange information and data, agree upon matters of mutual concern which are relevant to the AGREEMENT trades or any part thereof and to their operations and those of other

carriers therein, and where appropriate, to present, jointly or individually, common positions to governmental bodies, carrier associations and other persons or organizations (other than shippers) on such matters, including

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- (1) The need for and benefits of service rationalization;
  - (2) Improvement of carrier services;
  - (3) Cargo space accommodations and other conditions of service;
  - (4) Rates and rate policies, including rate structures, rate practices, through intermodal rates, charges and surcharges, rules and regulations and other rate and tariff matters;
  - (5) Costs of providing service, including means of reducing costs and improving efficiencies (exclusive of discussions or agreements regarding inland divisions of through rates within the United States);
  - (6) Vessels, standards and equipment, shoreside facilities and arrangements, ports and port development, energy requirements and efficiencies and intermodal operations;
  - (7) Commercial and governmental policies and practices affecting services and access to cargo;

carriers therein, and where appropriate, to present, jointly or individually, common positions to governmental bodies, carrier associations and other persons or organizations on such matters, including:

- (1) The need for and benefits of service rationalization;
- (2) Improvement of carrier services;
- (3) Cargo space accommodations and other conditions of service;
- (4) Rates and rate policies, including rate structures, rate practices, through intermodal rates, charges and surcharges, rules and regulations and other rate and tariff matters;
- (5) Costs of providing service, including means of reducing costs and improving efficiencies (exclusive of discussions or agreements regarding inland divisions of through rates within the United States);
- (6) Vessels, standards and equipment, shoreside facilities and arrangements, ports and port development, energy requirements and efficiencies and intermodal operations;
- (8) Commercial and governmental policies and practices affecting services and access to cargo;

(8) Trade and transportation studies and projections, including capacity and cargo forecasts, and studies and analyses of rates, costs, utilizations, commodities and other matters;

(9) Any matter within the scope of agreements effective under the Shipping Act of 1984, provided that any party who is not a member of any such agreement will not be privy to any exchange of information or data confidential to such agreements; and

(10) Matters relating to section 18 of the Shipping Act of 1984.

B. Notwithstanding the authority in this Article to exchange information and data relevant to any of the foregoing matters, no party shall be obliged to do so against its will. However, any information or data which is exchanged pursuant to this AGREEMENT shall remain strictly confidential with each such party and shall not be used by any party for any purpose outside the authorized scope and purposes of this AGREEMENT.

C. As this AGREEMENT is not a conference or rate-fixing agreement, it does not authorize (other than the taking and presentment of common positions) the parties to fix, change or implement, jointly or individually, any rate, charge, rule, regulation or practice whether or not required to be filed under section 8 of the Shipping Act of 1984. Nor, under the

(9) Trade and transportation studies and projections, including capacity and cargo forecasts, and studies and analyses of rates, costs, utilizations, commodities and other matters;

(10) Any matter within the scope of agreements effective under the Shipping Act of 1984, provided that any party who is not a member of any such agreement will not be privy to any exchange of information or data confidential to such agreements; and

(11) Matters relating to section 18 of the Shipping Act of 1984.

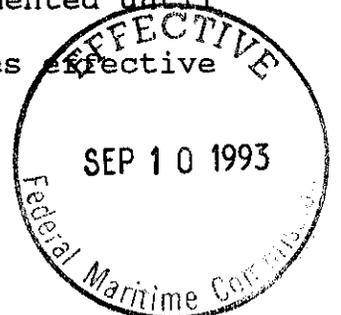
B. Notwithstanding the authority in this Article to exchange information and data relevant to any of the foregoing matters, no party shall be obliged to do so against its will. However, any information or data which is exchanged pursuant to this AGREEMENT shall remain strictly confidential with each such party and shall not be used by any party for any purpose outside the authorized scope and purposes of this AGREEMENT.

C. As this AGREEMENT is not a conference or rate-fixing agreement, it does not authorize (other than the taking and presentment of common positions) the parties to fix, change or implement any rate, charge, rule, regulation or practice

terms of this AGREEMENT, are the parties authorized to effectuate any agreement which by law is required to be filed prior to its implementation.

D. The parties shall designate a Chairman who shall preside over all meetings and will file minutes and make such other filings as are required by law. The person who shall act as Chairman shall be selected from among the parties and shall serve on a rotational basis for such period as the parties may agree. Regular meetings shall be held semi-annually at a date and place fixed by the parties. Special meetings, however, may be called at the request of any party. The parties may appoint such committees as may be required, but no committee shall have authority to take any final action.

E. The parties to this AGREEMENT are also authorized to meet together, discuss, consider, exchange information and reach agreements with the parties to the U.S.-Flag Far East Discussion Agreement No. 203-010050, as amended, upon matters of mutual concern common to the scopes of the two Agreements. No agreement or understanding reached under this Agreement which is required to be filed under the Shipping Act of 1984 shall be implemented until such agreement is filed with the Commission and becomes effective under the provisions of the said Act.



6. OFFICIALS OF THE AGREEMENT AND DELEGATIONS OF AUTHORITY

The person who shall be designated as Chairman from time-to-time shall have authority to file this AGREEMENT and modifications to this AGREEMENT and to submit any necessary associated supporting materials with the Japanese Ministry of Transport (the "Ministry") and the Federal Maritime Commission (hereafter, the "Commission"). In lieu thereof, the parties may engage other persons who shall have authority to accomplish the aforesaid filings.

7. WITHDRAWAL

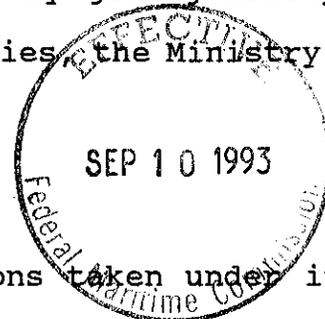
Any party may withdraw from this AGREEMENT by giving ninety (90) days' prior written notice to the other parties, the Ministry, and the Commission.

8. VOTING

Modifications to the AGREEMENT and decisions taken under it shall be by the unanimous vote of the parties. In addition to meetings held under the AGREEMENT, actions to implement the AGREEMENT may also be taken pursuant to telephone polls of the parties. A quorum shall exist only if all parties are present or are contacted by telephone.

9. DURATION

This AGREEMENT shall continue in force indefinitely from the time it takes effect, but may be terminated at any time by the



unanimous concurrence of the parties. In the event of termination, the Ministry and the Commission will be promptly notified in writing.

10. EFFECT

This AGREEMENT, and any modifications thereof, shall take effect when permitted by the Ministry, and by the Commission in accordance with applicable provisions of the Shipping Act of 1984, whichever is the later. The parties shall notify the Commission in writing of the date of the Ministry's action.

11. EXPENSES

The parties shall bear the expenses of their own representatives incurred in attending meetings and committees held pursuant to this AGREEMENT. All other expenses, including administrative and legal expenses, shall be borne by the parties collectively on terms as they may agree.



FMC Agreement No. 203-010905 - 004

FAR EAST-U.S.  
DISCUSSION AGREEMENT  
4th Revised Page No. 9

IN WITNESS WHEREOF, the parties have executed this AGREEMENT  
through their duly authorized representatives.

KAWASAKI KISEN KAISHA, LTD.  
MITSUI O.S.K. LINES, LTD.  
NIPPON YUSEN KAISHA

BY Charles F. Warren  
Charles F. Warren  
Authorized Representative

Dated: August 18, 1993

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