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FEDERAL MARITIME COMMISSION

Australia and New Zealand-United
States Discussion Agreement
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(Third Edition)
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APPENDIX B

**MINIMUM LEVEL OF SERVICE TO BE PROVIDED BY THE
AUSTRALIA & NEW ZEALAND - UNITED STATES DISCUSSION AGREEMENT**

1. Extent of Undertaking to Provide Minimum Level of Service

With a view to providing adequate, economic and efficient shipping services, Member Lines agree, subject to the conditions set out in this Appendix, to provide the minimum level of service specified in Paragraph 3.

2. Basis of Providing Minimum Level of Service

The Minimum Service Level in this Appendix is subject to the Conditions of the Member Lines' individual Tariffs (excluding the schedule of freight rates and charges) and Force Majeure (including strikes, actual conflict or civil disturbance) wherever occurring.

The minimum level of service specified in Paragraph 3 is established having regard to expected trading and operational conditions in the 12 months from 1 July, 2007. In the event that any of these conditions change to a degree which could prevent the achievement of the specified minimum level of service, the Member Lines have the right, with prior notice to the relevant Designated Shipper Body, to provide proportionately a lower level of service for a period not exceeding 90 days.

If the present Appendix is not amended in respect of the minimum service level within the 90 day period, Member Lines will take whatever action is necessary to provide the minimum level of service specified in Paragraph 3.

3. Statement of Minimum Service Levels

The minimum service level for the purpose of this Agreement on the basis in Paragraph 2 is as follows:

a. Minimum Capacity and Service

The Member Lines collectively undertake to maintain sufficient tonnage in the trade to provide:

<u>West Coast USA</u>	<u>42,765 dry TEUs, 8,360 refrigerated plugs and 104 sailings</u>
<u>East Coast USA</u>	<u>32,760 TEUs, 1,7865 refrigerated plugs and 104 sailings</u>

per annum on a regular basis together with sufficient containers in good working order and condition.

b. Loading Ports (by direct service or indirect service at base port rates at no extra cost to shippers/exporters).

Melbourne
Sydney
Brisbane

c. Discharge Ports (by direct service or indirect service at base port rates at no extra cost to shippers/exporters).

Los Angeles/Long Beach
Philadelphia
San Francisco/Oakland
Savannah
Seattle

d. Other Ports

Ports other than those stipulated in 3c. above may be served directly or indirectly by the Lines. Additional freight or on-carrying charges may apply.

e. At the time of negotiating this Appendix B - Minimum Level of Service document the overall range of ports serviced, whether direct or indirect, contained in the current terms and conditions of the Member Lines individual Tariffs form part of this Agreement.

4. Amendment

This Appendix is subject to amendment by Member Lines after negotiation, if required, with the relevant Designated Shipper Body, currently the Australian Peak Shippers Association.