

RECEIVED  
06 AUG 14 PM 4:21

OFFICE OF THE SECRETARY  
FEDERAL MARITIME COMM

The Grand Alliance Agreement II  
FMC Agreement No. 011602-009  
(2d Edition)  
Second Revised Page No. i

TABLE OF CONTENTS

<u>Article</u>		<u>Page</u>
	WITNESSETH	1
1.	NAME OF THE AGREEMENT	1
2.	PURPOSE OF THE AGREEMENT	2
3.	PARTIES TO THE AGREEMENT	2
4.	GEOGRAPHIC SCOPE OF THE AGREEMENT	3
5.	AGREEMENT AUTHORITY	3
	(A) General Authority	3
	(B) Cargoes	10
	(C) Force Majeure	11
	(D) Bills of Lading and Tariffs	11
	(E) No Joint Service or Agency Arrangement	11
	(F) Implementation and Interstitial Agreements	11
	(G) Information Exchange	11
	(H) Administration	12
	(I) Cooperation In Other Trades	12
	(J) Exclusivity	12
	(K) Employment of U.S. Flag Ships	12
6.	DELEGATION OF AUTHORITY	13
7.	MEMBERSHIP AND WITHDRAWAL	14
8.	VOTING	16
9.	DURATION AND TERMINATION	17
10.	MODIFICATIONS	17
11.	NOTICE	17
12.	NON-ASSIGNMENT	17
13.	GOVERNING LAW AND ARBITRATION	18
14.	LANGUAGE	18
15.	SEVERABILITY	19
	SIGNATURES	

~~This AGREEMENT, entered into this 17th day of December, 1997 and amended and restated as of the 30<sup>th</sup> day of December, 2005, and further amended as of the 19<sup>th</sup> day of April, 2006, by and between the undernoted parties;~~

WITNESSETH

WHEREAS, Hapag-Lloyd ~~AG Container Linie GmbH~~, CP Ships (UK) Limited, CP Ships USA LLC<sup>1</sup>, Nippon Yusen Kaisha, and Orient Overseas Container Line Inc., Orient Overseas Container Line Limited and Orient Overseas Container Line (Europe) Limited<sup>2</sup>, the parties hereto, are each vessel operating common carriers which operate or intend to operate in various U.S. foreign trades, and

WHEREAS, the parties desire to rationalize their services in such trades,

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

ARTICLE 1: NAME OF THE AGREEMENT

This AGREEMENT shall be named the "The Grand Alliance Agreement II," and shall be referred to herein as "AGREEMENT."

---

<sup>1</sup> Hapag-Lloyd ~~AG Container Linie~~, CP Ships (UK) Limited and CP Ships USA LLC shall be treated as a single party for all purposes under this AGREEMENT, except Article 5.K.

<sup>2</sup> Orient Overseas Container Line Inc., Orient Overseas Container Line Limited and Orient Overseas Container Line (Europe) Limited shall be treated as a single party for all purposes under this AGREEMENT.

ARTICLE 2. PURPOSE OF THE AGREEMENT

The purpose of this AGREEMENT is to provide legal authority for the chartering and exchange of space on the parties' vessels and for related rationalization, coordination and cooperative activities with respect to the parties' ocean and intermodal services and operations in the Trade.

ARTICLE 3. PARTIES TO THE AGREEMENT

The parties to the AGREEMENT are:

HAPAG-LLOYD ~~AG CONTAINER LINE GMBH~~, CP SHIPS (UK) LIMITED and CP SHIPS USA LLC (all of which shall be treated as a single party for all purposes under this AGREEMENT, except Article 5.K, and be referred to as "HL")<sup>3</sup>

Addresses: ~~Hapag-Lloyd AG Container Linie GmbH~~  
Ballindamm 25  
20095 Hamburg, Germany

CP Ships (UK) Limited ("CPUK")  
2 City Place  
Beehive Ring Road  
Gatwick, West Sussex RH6 OPA  
United Kingdom

CP Ships USA LLC ("CPUSA")  
401 E. Jackson Street, Suite 3300  
Tampa, FL 33602

NIPPON YUSEN KAISHA ("NYK")

Address: 3-2, Marunouchi 2-chome  
Chiyoda-ku, Tokyo 100, Japan

---

<sup>3</sup> The participation of CP Ships (UK) Limited and CP Ships USA LLC in this AGREEMENT shall be limited to trades between the United States and Asia (i.e., trans-Pacific trades); provided, however, that CP Ships USA, LLC shall participate in other trades to the extent required by Article 5.K.

Article 5.A hereof, a party may develop and implement existing or new arrangements in the trade to and from Europe outside of this AGREEMENT until such time as satisfactory arrangements for said service to and from Europe may become available hereunder. Except as otherwise agreed, any party that operates an existing service that covers all or part of the Trade at the time this AGREEMENT becomes effective may continue to do so and may modify said service from time to time.

K. Employment of U.S. Flag Ships.

1. Notwithstanding any other provision of this AGREEMENT, CPUSA shall retain authority to determine the routes, schedules and space availability of its U.S.-flag vessels covered under this AGREEMENT as may be required to fulfil its obligations under its contracts with the United States government; provided, however, that CPUSA shall to the extent practicable provide the other parties with prompt notice of any change in U.S.-flag vessel routes, schedules or space availability and advise and consult with the other parties regarding such routes, schedules and space availability. Furthermore, in the event that any U.S.-flag vessel(s) covered by this AGREEMENT and employed by CPUSA or space on such vessel(s) is activated under any stage of the Voluntary Intermodal Sealift Agreement ("VISA") and contracts implementing VISA, CPUSA may make such vessel(s) or space thereon available to the U.S. government without liability to any party hereunder, notwithstanding any other provision of this AGREEMENT.

2. In the event CPUSA effectively withdraws capacity utilised under this AGREEMENT as a result of the exercise of the provisions in the previous paragraph concerning its U.S.-flag vessels, the normal non-performance rules will apply. The parties shall promptly agree on revised allocations, Loops, vessel provision and similar terms, taking into consideration CPUSA's reduced vessel provision, as well as the overall over/under provision position of the individual parties hereunder.

3. No U.S.-flag vessel employed by CPUSA and covered by this AGREEMENT, or space on such vessel, shall be used, other than by CPUSA, for the carriage of cargoes reserved to U.S.-flag vessels pursuant to the cargo preference laws of the United States (including, but not limited to, Public Resolution Number 17, sections 901(b) and 901b of the Merchant Marine Act, 1936, as amended, and the Military Cargo Preference Act of 1904); provided, however, that nothing herein shall prevent the parties from using CPUSA U.S.-flag vessels or space thereon for the carriage of that portion of preference cargoes that is not reserved to U.S.-flag vessels.

#### ARTICLE 6: DELEGATION OF AUTHORITY

The following persons shall have authority to sign and file this AGREEMENT, any subsequent modifications thereto, and any supporting information with the Federal Maritime