

RECEIVED  
06 SEP -5 PM 4:34  
OFFICE OF THE SECRETARY  
FEDERAL MARITIME COMM

MED-GULF SPACE CHARTER AGREEMENT  
FMC Agreement No. 011839-004  
(3<sup>rd</sup> Edition)  
First Revised Page No. 1

#### ARTICLE 1 -- NAME OF AGREEMENT

The full name of this Agreement is the Med-Gulf Space Charter Agreement (the "Agreement").

#### ARTICLE 2 -- PURPOSE OF AGREEMENT

The purpose of this Agreement is to authorize HLAG HLCL to charter space to CSAV and to authorize the Parties (as hereinafter defined) to enter into arrangements related to the chartering of such space.

#### ARTICLE 3 -- PARTIES TO AGREEMENT

The Parties to this Agreement (the "Parties") are:

1. Hapag-Lloyd ~~AG Container Linie GmbH~~ ("HLAGCL")  
Ballindamm 25  
20095 Hamburg, Germany
2. Compania Sud Americana de Vapores S.A. ("CSAV")  
Plaza Sotomayor 50  
P.O. Box 49  
Valparaiso, Chile

#### ARTICLE 4 -- GEOGRAPHIC SCOPE

The geographic scope of the Agreement is the trade between (i) ports in Italy, Malta and Spain, on one hand, and ports on the Gulf Coast of the United States,

Miami, Florida and San Juan, Puerto Rico, and on the Gulf Coast of Mexico, on the other hand<sup>1</sup>; and (ii) ports on the Gulf Coast of the United States, Miami, Florida, and San Juan, Puerto Rico, on the one hand, and ports on the Gulf Coast of Mexico, on the other hand. The foregoing geographic scope is hereinafter referred to as the "Trade".

ARTICLE 5 -- AGREEMENT AUTHORITY

5.1 (a) HLAG ~~HLCL~~ shall charter space to CSAV on its vessels in the Trade for such charter hire and on such other terms and conditions as the Parties may agree from time to time. Except as otherwise provided in this Article 5.1, CSAV may load to/from any of the ports directly called by the service under this Agreement, subject to compliance with local coastal regulations that may apply. CSAV will have a basic allocation of 10,496 TEUs per annum, equivalent to 230 TEUs per sailing in each direction. CSAV shall pay for slots whether used or unused.

(b) The foregoing allocation shall be divided between U.S. and Mexican ports with respect to TEU allocation as agreed upon by the Parties, but CSAV may divide its cargo deadweight allocation between U.S. and Mexican ports as it deems appropriate. The allocation shall be based on an average cargo weight of 14 MT per TEU, shall be determined in both TEU and cargo deadweight (CDWT), and shall be deemed full in either TEU or CDWT, whichever is reached first.

---

<sup>1</sup> The terms of this Agreement and the filing of it with the Federal Maritime Commission do not and are not intended to bring within the scope of the U.S. Shipping Act of 1984, as amended, or the jurisdiction of the FMC, any activities hereunder relating to service wholly between non-U.S. ports or points.

(c) It is agreed that CSAV shall have access to its full pro-rated share of reefer plugs based upon the ratio that its TEU allocation has to the declared operational TEU capacity of the vessels deployed in the service.

(d) In the event CSAV does not utilize its allocation and HLAG HLCL or another line utilizes the given space (laden cargo only), HLAG HLCL will credit CSAV for the encroached space at the agreed slot rate.

5.2 CSAV may load additional empty eastbound containers of up to 15% in excess of its allocation free of charge, subject to space availability and no adverse impact on schedule integrity. Any additional empties loaded over this amount would be charged at 50% of the one-way slot rate prevailing at that time. CSAV will pay for any subsequent rehandling costs for their containers and stevedores will debit them direct for these costs.

5.3 Additional one-way slots may be purchased at 50% of the round voyage slot cost. Should CSAV exceed its CDWT allocation on a particular voyage leg, the number of slots to be paid will be calculated by dividing the total CDWT by the predetermined maximum average gross weight per slot. Additional slots may be only purchased subject to space availability. Requests for additional slots per sailing whether one way, round trip or coastal are required 1 (one) working day prior to port cut off. (It is understood the FMC has no jurisdiction over cargo movements between two U.S. ports/points or two foreign ports/points.) Such agreed space will be considered as guaranteed space and it will be invoiced on a used or unused basis. A monthly reconciliation will be provided to CSAV from HLAG HLCL summarizing the

voyage activity, which will include coastal moves, excess slots and excess CDWT. The monthly reconciliation will be based on all voyages completed in that month or completed since the last reconciliation.

5.4 HLAG HLCL may take San Juan out of the current schedule and insert an additional call at another port. Should HLAG HLCL take this decision, certain remedial action shall be offered to CSAV. Should HLAG HLCL decide to extend the port call coverage of its service beyond that which exists at the time this Agreement becomes effective, CSAV may request participation in these new ports. If an agreement is reached on such participation, the slot cost hereunder will be adjusted to reflect the additional cost of these additional ports of call. Although CSAV has no vote with respect to the service operated by HLAG HLCL in the Trade, HLAG HLCL agrees to consult with CSAV concerning any other permanent change(s) to be made in sailing schedules, port calls, terminal arrangements or itineraries at least 30 days prior to the effective date of such change. If CSAV objects to any such change, it may either (1) withdraw from the Agreement effective on the earlier of 30 days after it received notice of the change from HLAG HLCL or the effective date of the change; or (2) reduce its space allotment, by an amount agreed by HLAG HLCL, when the schedule change takes effect.

5.5 The Parties may discuss and agree upon the use of any terminal or port facilities, and may jointly negotiate and enter into leases for such facilities, and may contract for stevedoring services, terminal subleases or assignments of and other related ocean and shoreside services and suppliers, with each other or jointly with third parties in the United States and elsewhere. Nothing contained herein shall

authorize the Parties to jointly operate a marine terminal in the United States.

5.6 The Parties may discuss and agree on their respective memberships in and/or the formation of, any conference or rate agreement in the Trade; provided, however, that no Party shall be required to become or remain a member of any such agreement.

5.7 This is a non-exclusive agreement. However, should CSAV decide to serve the Trade through other alternatives, it shall immediately inform HLAG HLCL of its intentions. Should HLAG HLCL consider that the alternative competing service is in direct conflict to the scope of this Agreement and no compromise can be found, HLAG HLCL shall have the right to terminate this Agreement with 90 days notice.

5.8 CSAV may not subcharter or assign space on any vessel subject to this Agreement to any ocean common carrier who is not a party hereto without the prior consent of HLAG HLCL; provided, however, that CSAV may sub-charter slots it receives under this Agreement to its affiliates Norasia Container Lines, Libra de Navegacao and Montemar.

5.9 The Parties may discuss and agree upon general administrative matters related to the implementation of this Agreement as may be necessary or convenient from time to time including, but not limited to, performance and payment procedures, recordkeeping, responsibility for loss or damage, insurance, liabilities, claims, indemnifications, consequences for delays, settlement of claims, and treatment of dangerous and hazardous cargoes.