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FEDERAL MARITIME COMMISSION

CSAV GROUP / K LINE USEC-ECSA VESSEL SHARING AGREEMENT

FMC AGREEMENT NO. 012038

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**ARTICLE 1 - Name of the Agreement** - This Agreement shall be known as the CSAV Group / K Line USEC-ECSA Vessel Sharing Agreement.

**ARTICLE 2 - Purpose** - The purpose of this Agreement is to permit the Parties as defined in Article 3, to cross charter space on vessels and to utilize other related equipment in connection with the carriage of cargo on terms and conditions agreed to by the Parties in the trade within the geographic scope set forth in Article 4.

**ARTICLE 3 - Parties to the Agreement** - The Agreement is made by and between the following two (2) parties and four (4) carriers (hereinafter "Party(ies)" or "Carriers")

1. The CSAV Group, consisting of

Compania Sud Americana de Vapores, S.A. (CSAV)  
Plaza Sotomayor 50  
2360171 Valparaiso, Chile

Companhia Libra de Navegacao (Libra)  
Rua Sao Bento 8-8 Andar  
Rio de Janeiro RJ, Brazil

Compania Libra de Navegacion Uruguay S.A. (CLNU)  
Edificio Plaza Mayor  
Plaza Independencia 831, 11th Floor  
11100, Montevideo, Uruguay

CSAV, Libra and CLNU are referred to collectively as the "CSAV Group," and operate in this Trade under FMC Agreement No. 011872.

2. Kawasaki Kaisen Kaisha, Ltd. ("K" Line)  
C/O "K" Line America, Inc.  
8730 Stony Point Parkway, Suite 400,  
Richmond, VA 23235  
U.S.A.

**ARTICLE 4 - Geographic Scope of the Agreement** -

This Agreement shall cover the operation of vessels and the carriage of cargo via

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direct service or transshipment between ports on the East Coast of the United States (Eastport, Maine to Key West, Florida range inclusive), and inland and coastal points in the United States, served via such ports, on the one hand, and ports in Argentina, Brazil, Paraguay, Uruguay, and Venezuela, and inland and coastal points in the aforementioned countries and other Latin America and Caribbean countries served via such ports, on the other hand (“the Trade”).

**ARTICLE 5 - Authority**

5.a. Vessels and Service

The Parties are authorized to operate and share space on up to 10 vessels in the Trade, each one with a capacity not exceeding 3,000 TEUs (calculated on the basis of approximately 12 tons per TEU average). The Parties intend initially to operate five (5) vessels of approximately 2,500 TEUs capacity, able to carry about 1,950 TEUs at 12 tons average, with minimum guaranteed service speed at 20.5 knots, fully laden described at scantling draft, fitted with minimum 300 reefer plugs, and able to operate a weekly fixed day service in 42 days round voyage time. Initially, the CSAV Group shall contribute four (4), and “K” Line shall contribute one (1) vessel, which “K” Line vessel shall be time or voyage chartered on such terms as may be agreed from time to time from a member of the CSAV Group. “K” Line shall pay the CSAV Group as vessel charter hire the sum of US\$26,500 per day, and in addition will pay an additional sum of US\$3,500 per month for an operational fee. Scheduling will be determined by CSAV Group with three (3) months notice where possible to “K” Line of any changes. During the first year of the Agreement, “K” Line shall not be entitled to load cargo to or from Puerto Cabello under the Agreement. Subject to the above, the Parties may periodically discuss and agree upon the number and capacity of vessels employed, itineraries and sailing schedules and the round-trip voyage duration with the aim of providing a competitive and cost efficient service. This Agreement covers containerized and non-containerized cargo. The vessels’ declared capacity and the average gross weight/TEU rating (12) of the vessels may be reviewed from time to time subject to mutual agreement.

5.b. Designation of Carriers as Slot Charterers and Vessel Providers

As used herein, the Carrier chartering space on the other Carrier’s vessel shall be referred to as “Slot Charterer” and the Party providing the vessel on which space is chartered shall be referred to as “Vessel Provider.”

5.c. Space Allocation

The Parties may allocate space on the vessels utilized by them under this Agreement as

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they may from time to time agree. Allocations will be based on the following overall space requirements of each Party (stated in terms of weekly TEUs based on approximately 12 tons per TEU average) and can be adjusted as by unanimous agreement. Initial allocations on dry cargo will be as follows:

<u>Volume Allocation</u>	<u>TEUs</u>	<u>%</u>
CSAV Group	1560	80.00
"K" Line	390	20.00
Total	1950	100.00
<u>Reefer Allocation</u>	<u>Plugs</u>	<u>%</u>
CSAV	245	81.67
"K" Line	55	18.33
Total	300	100.00

In addition, "K" Line will purchase 100 TEU per sailing from CSAV Group's allocation at the slot cost agreed from time to time by the Parties, on a used or not used basis. In addition, the Parties are authorized to buy and sell space on an *ad hoc* basis, to and from one another on such terms and conditions as they may from time to time agree in order to balance differences between the Volume Allocation and slots actually provided, to dispose of unused slots and to respond to fluctuations in cargo demand and/or space availability among the Carriers. Each Vessel Provider guarantees at any point in the voyage rotation the agreed allocation to the other Party.

In the event that a Vessel Provider is able to load more than the declared capacity/deadweight of a particular vessel as a result of the conditions pertaining to an individual voyage, then the Vessel Provider may, but shall not be obliged to, offer such additional space to the other Party. If such additional space is taken up by another Party, it shall then pay for any such additional slots at the pre-agreed slot cost.

5.d. No Joint Service, Pooling, Pricing

The cross chartering of space provided hereunder does not create a joint service, partnership or other unincorporated association, permit the Parties to discuss or agree on rates or terms to be offered or charged to the shipping public or permit the Parties to pool cargo or revenue except as permitted under agreements relating to United States oceanborne commerce

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of which the Parties are or may become members, which agreements are filed with the FMC and effective pursuant to the Shipping Act of 1984. Nothing contained herein shall authorize the Parties to jointly operate a marine terminal in the United States.

5.e. Booking and Documentation

Procedures for booking vessel capacity, documentation and other administrative matters relating to chartering and transportation provided under this Agreement as well as allocation of responsibilities shall be as the Carriers may from time to time agree.

5.f. Equipment

The Parties may discuss and agree upon standards for, and may interchange, purchase, pool, lease, sublease, or otherwise cooperate in connection with containers, chassis, and other equipment in the Trade as between themselves, or individually or jointly to, from or with another person, on such terms as they may from time to time agree.

5.g. Terminals

- (1) The Parties will utilize the terminals selected by the CSAV Group;
- (2) Parties may negotiate jointly with terminals / stevedores.
- (3) In all ports of call, the Parties shall arrange for direct invoicing with the Stevedores / Terminal of their own containers and have their own individual contracts with the Stevedores.
- (4) For purposes of this Agreement, Common Terminal Charges and Shifting shall be allocated as may be agreed from time to time.

5.h. Further Agreements

The authority of the Parties under this Agreement contemplates operations, activities and agreements interstitial to or otherwise in implementation of all such expressed authority or undertaken or entered into with a reasonable basis to conclude that such collective action is covered by this Agreement, as lawfully in effect at the time the action occurred. In accordance with 46 C.F.R. § 535.408, any further agreement contemplated herein cannot go into effect unless filed and effective under the Shipping Act of 1984, except to the extent that such agreement concerns routine operational or administrative matters. Except as required by law, the terms and conditions of any interstitial agreement shall be confidential to the Parties and no

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details of such agreement or the contents thereof shall be divulged to any other party without the prior written approval of the other Party. The Parties may implement this Agreement by meetings, writings and other communications between them, operating manuals, financial procedures, and may act through a Steering Committee or other administrative staff, or make other arrangements as may be necessary or appropriate to effectuate the purposes and provisions of this Agreement. The Parties, in implementing this Agreement, may agree on their respective rights, liabilities, and indemnities arising under this Agreement, including matters such as failure to perform, *force majeure*, and insurance.

**ARTICLE 6 - Officials and Delegations of Authority** - Legal Counsel for the respective Parties are appointed as U.S. representatives of the Agreement and are authorized to file with the Governmental Authorities the Agreement and any amendments hereto, as well as to submit associated supporting materials.

**ARTICLE 7 - Membership and Withdrawal** -

7.a. New Parties to this Agreement may be added only upon unanimous consent. The addition of any new Party to this Agreement shall become effective after an amendment noticing its admission has been filed with the Federal Maritime Commission and become effective under the Shipping Act of 1984.

7.b The Agreement shall remain in force for a minimum of fifteen months after its effective date. After the initial twelve months of the Agreement, any Carrier may give notice of its withdrawal from this Agreement by giving ninety (90) days prior written notice to the other Carriers, subject to the following terms and conditions:

7.b.(i) Any withdrawal shall be without prejudice to the Parties' respective accrued obligations to one another as of the date of withdrawal. In no event shall any Carrier be liable to another for consequential damages arising from withdrawal from this Agreement;

7.b.(ii) The withdrawing Carrier will promptly notify the Federal Maritime Commission of its withdrawal pursuant to this Article.

**ARTICLE 8 - Voting** - All exercise of authority under the Agreement shall be by the unanimous consent of the Parties.

**ARTICLE 9 - Duration and Termination** -

9.a This Agreement shall continue in effect unless the Agreement is terminated by

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the unanimous agreement of the Parties, or by the withdrawal of all Carriers but one.

9.b. The termination of this Agreement shall be without prejudice to the Parties' respective accrued obligations to one another as of the effective date of the termination.

**ARTICLE 10 - Compliance with United States Regulations** - The provisions and implementation of this Agreement will fully comply with the U.S. Maritime Regulations, and such other national regulation as may apply, including but not limited to the statutes administered by the Federal Maritime Commission of the United States.

**ARTICLE 11 - Arbitration and Governing Law** -

a) Applicable Law. The interpretation, construction and enforcement of this Agreement shall be governed by the laws of the United States of America and the substantive laws of the State of New York.

b) Arbitration. Any dispute or claim arising hereunder which is not amicably settled by the Parties shall be settled by arbitration. Arbitration shall be held in New York, New York, before a panel of three arbitrators familiar with ocean container shipping, unless the Parties can agree on a single arbitrator, none of which shall have any interest in or with any Party. Upon agreement of the Parties, arbitration may be held in any other place. Arbitration shall be conducted in accordance with the arbitration rules of the New York Society of Maritime Arbitrators, Inc. (the "SMA"). The arbitrators' written decision shall be final and conclusive, shall be rendered within 90 days of the final submissions of the Parties, including briefs, and may be enforced in a court of competent jurisdiction. A copy of such decision shall be served by the arbitrators on the Parties.

**ARTICLE 12 - Notices**

All notices and other communications pertaining to the Agreement, except as the Parties may otherwise provide, shall be sent by (1) fax or e-mail to the contact designated by each Party from time to time; and (2) by certified airmail, postage prepaid and addressed to the addresses set forth in Article 3 of this Agreement, and shall be effective when dispatched.

**ARTICLE 13 - Assignment , Exclusivity and Subchartering**

a. Assignment - Parties may not assign their rights and obligations under this Agreement in whole or in part, without the written consent of all the other Parties.

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b. Exclusivity - "K" Line agrees that it will phase out its existing service in the Trade by the time this Agreement takes effect, or on such other date as may be agreed by the Parties. "K" Line may not load cargo or containers in other ships not belonging to this Agreement within the Trade.

c. Sub-chartering "K" Line may not sub-charter space in the service to third parties without prior consent of the CSAV Group, and subject to compliance with all applicable laws and the Federal Maritime Commission regulations regarding such charters

**ARTICLE 14 - Enforceability**

If at any time during the performance of any transportation under the provisions of the Agreement, any term, covenant, condition or proviso contained in the Agreement or the application thereto to any person or circumstances shall be held to be invalid, illegal or unenforceable, the remainder of the Agreement or the application or such term, covenant, condition or proviso to persons or circumstances other than those to which it is invalid, illegal or unenforceable shall not be affected thereby and each term, covenant, proviso or condition of the Agreement shall be valid and be enforceable to the full extent permitted by law.

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**Signature** - This Agreement may be executed and delivered by exchange of facsimile copies showing the signatures of each Carrier, and the original signatures need not be affixed to the same copy. The facsimile copies showing the signature of each Carrier will constitute original signed copies of the same Agreement requiring no further execution.

Dated: April 4, 2008

COMPANIA SUD AMERICANA DE VAPORES S.A.

By: Walter H. Lion  
Name: Walter H. Lion  
Title: Attorney

COMPANIA LIBRA DE NAVIGACION URUGUAY S.A.

By: Walter H. Lion  
Name: Walter H. Lion  
Title: Attorney

COMPANHIA LIBRA DE NAVEGACAO

By: Walter H. Lion  
Name: Walter H. Lion  
Title: Attorney

KAWASAKI KAISEN KAISHA, LTD. ("K" LINE)

By: N. Ishida  
Name: N. Ishida  
Title: SVP, Liner