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CONTAINER TERMINAL SERVICES AGREEMENT

BETWEEN

SEA-SHUTTLE, INC.

AND

SEA-LAND SERVICE, INC.



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Schedule A - Functions

CONTAINER TERMINAL SERVICES AGREEMENT

THIS AGREEMENT entered into this 29th day of December, 1989, between SEA-SHUTTLE, INC. (the "Carrier"), and Sea-Land Service, Inc. (the "Contractor"),

WHEREAS, the Carrier is a common carrier by water operating an international liner service between ports in New Brunswick, Canada on the one hand, and, inter alia, the ports in the range of New York, N.Y. on the other hand ("Carrier's Service"): and

WHEREAS, the Carrier desires to employ the Contractor to perform the functions described herein at the Contractor's Container Terminal at Elizabeth Port, N.J. ("Container Terminal") and the Contractor is ready, willing and able to perform such functions upon the following terms and conditions;

NOW THEREFORE, in consideration of the premises and covenants herein, the Carrier and the Contractor agree that:

1. Functions and Status.

(a) Functions.

For Carrier's cargo carried in the Carrier's

Service, the Contractor agrees to provide the terminal services and perform the functions described in Schedule A. hereto at the Container Terminal. The Carrier agrees to obtain such services from the Contractor in accordance with the terms and conditions of this Agreement.

(b) Status.

Notwithstanding any other provisions of this Agreement, it is understood and agreed that the Contractor, when performing any services in connection with the receiving and/or delivering of cargo, is acting as the agent of the Carrier and as such is not to be considered as a bailee of the cargo.

2. Compensation.

For functions performed, Contractor will be paid by Carrier as set forth in a Confidential Schedule of Charges, Schedule B. If required, Confidential Schedule B will be filed with the Federal Maritime Commission ("F.M.C."), within fourteen (14) days of the effectiveness of such charges.

3. Term.

(a) This Agreement shall begin on the day on which the Federal Maritime Commission either determines that this Agreement is effective or determines that it has no jurisdiction to review this Agreement ("Initial Term").

(b) This Agreement shall remain in effect until cancelled by either Contractor or Carrier not earlier than sixty (60) days after written notice of such cancellation is delivered to the other party.

(c) In the event of a Default (Clause 4) the non-defaulting party may terminate this Agreement by written notice and all rights hereunder shall cease but without prejudice to any claim by either party against the other as provided in Clause 6 hereof. Termination under this sub-clause (c) shall be effective upon the date of receipt of such notice or the date specified therein, whichever is later.

(d) In the event of cancellation or termination of this Agreement under either paragraph (a) or (b) of this Clause, the parties shall, if necessary, submit immediate notice of such act to the F.M.C.

4. Default.

The occurrence of one or more of the following shall be deemed an event of Default under this Agreement and just cause for termination by the non-defaulting party:

(a) Payments.

Failure by either party to make any payment, remittance, or reimbursement to the other within fourteen (14) calendar days after written notice of default from the non-defaulting party; or

(b) Failure to Perform.

A material breach of any term, covenant or

agreement herein which continues unremedied or uncorrected for a period of fourteen (14) calendar days after written notice thereof; or

(c) Creditors - Bankruptcy.

If either party makes an assignment for the benefit of creditors, files a petition in bankruptcy, is adjudicated insolvent or bankrupt, petitions or applies to any tribunal for any receiver or any trustee of any substantial part of its property, or (save for the purpose of reorganization or amalgamation without insolvency) commences any proceeding relating to itself under any reorganization, arrangement, readjustment of debt, dissolution or liquidation under a law or statute of any jurisdiction, whether now or hereafter in effect, or if it by any act indicates consent to, approval of, or acquiescence in, the appointment of any receiver or any trustee for it, or any substantial part of its property, or suffers any such receivership or trusteeship to continue undischarged for a period of thirty (30) days; or

(d) Cessation of Business.

If either party ceases its business or operations covered under this Agreement or its legal existence.

5. Indemnities.

(a) Indemnities by Carrier.

Carrier hereby agrees to defend, indemnify and hold harmless Contractor, its directors, officers, employees and vessels from and against all third party liabilities, damages, claims, penalties, suits, actions, losses and costs (and all expenses connected therewith, including attorneys' fees and costs) arising out of the negligence or fault of Carrier in the performance of its duties and obligations under this Agreement, and resulting in personal injury, property damage or death suffered by any third party in connection with the Carrier's Service under this Agreement, provided that if such liabilities, damages, claims, penalties, suits, actions, losses, or costs and expenses shall be caused by the negligence or fault of Contractor, Carrier shall be exonerated from such obligation to indemnify Contractor. The Carrier further agrees to indemnify, reimburse, and hold harmless Contractor, its directors, officers, employees and vessels for and against any loss or damage to the goods, property, vessels or equipment of Contractor arising out of the negligence or fault of Carrier in the performance of its duties and obligations under this Agreement, provided that if such loss or damage shall be caused by the negligence or fault of Contractor, Carrier shall be exonerated from this obligation to indemnify Contractor.

(b) Indemnities by Contractor.

Contractor hereby agrees to defend, indemnify and hold harmless Carrier, its directors, officers, employees and vessels from and against all third party liabilities, damages, claims, penalties, suits, actions, losses and costs (and all expenses connected therewith, including attorneys' fees and costs) arising out of the negligence or fault of Contractor in the performance of its duties and obligations under this Agreement, and resulting in personal injury, property damage or death suffered by any third party in connection with services provided by the Contractor under this Agreement, provided that if such liabilities, damages, claims penalties, suits, actions, losses, or costs and expenses shall be caused by the negligence or fault of Carrier, Contractor shall be exonerated from such obligation to indemnify Carrier. The Contractor further agrees to indemnify, reimburse, and hold harmless Carrier, its directors, officers, employees and vessels for and against any loss or damage to the goods, property, vessels or equipment of Carrier arising out of the negligence or fault of Contractor in the performance of its duties and obligations under this Agreement, provided that if such loss or damage shall be caused by the willful misconduct or negligence of Carrier, Contractor shall be exonerated from this obligation to indemnify Carrier.

(c) This Clause 5 and its provisions shall remain in full force and effect notwithstanding any termination of this Agreement.

6. Liabilities, Limitation and Delay.

(a) Liabilities.

(1) The Contractor shall not be responsible for description, marks, condition, quality, quantity and value of cargo in containers, except as specifically provided in this clause.

(2) The Contractor shall be liable for loss of or damage to Carrier's vessels and/or Carrier's containers, cargo, and equipment and for personal injury to or the wrongful death of third persons only to the extent that the loss or damage is caused by the negligence or fault of the Contractor, its employees, agents, or subcontractors. In no event will the Contractor be liable for an amount greater than the Carrier's liability or actual damage, taking into account all defenses and limits of liability available to the Carrier.

(b) Limitation of Liability.

(1) The Carrier shall incorporate in its bill of lading to be issued on cargo carried in Carrier's Service and subject to the services to be provided under this Agreement, a clause to the effect that the Contractor shall be included as beneficiary of

liability provisions thereof including, but not limited to the U.S. Carriage of Goods by Sea Act.

(2) Notwithstanding any other provisions of this Agreement, the Contractor shall not be liable for any damage occurring to a container or to any chassis amounting to less than U.S. Two Hundred Fifty Dollars (U.S. \$250.00) per incident.

(c) Delay.

Vessel delay or failure by Contractor to perform its obligations wherein delay or failure is attributable to compliance with or enforcement of the provisions of any applicable collective bargaining agreement directly related to the operation of subject facilities, shall be excused so long as the Contractor is acting in good faith in relation to the applicable collective bargaining agreement. In any event, Contractor shall not be liable for any delay which occurs because of events beyond its control.

7. Frustration.

Notwithstanding anything to the contrary in this Agreement, neither the Carrier nor the Contractor shall be liable for loss or delay due to Acts of God, Acts of War, Public Enemies, Pirates, or assailing thieves; arrest or restraint of Princes, Rulers or People; seizure under legal process, strikes, lockout, stoppages or restraints of labor from whatever cause, either partial or general; riot or civil commotion, for any cause beyond the control of either of

them, provided however, that both the Carrier and the Contractor will perform such of their respective duties and obligations hereunder as the conditions brought about will permit.

8. Representations.

(a) No Disabilities.

Each party expressly warrants that it is able to enter into this Agreement and that it is not subject to any prior agreement which conflicts with the terms of this Agreement.

(b) Compliance.

The Carrier and the Contractor shall, at all times, comply fully with all applicable laws, ordinances, tax requirements, rules and regulations.

9. Documentation and Records.

The books and records of the Contractor, insofar as they relate to operations under this Agreement, and all statements, vouchers and other documents pertaining to the Carrier, shall be available for inspection by the carrier or its nominee, at any time during normal business hours.

10. The U.S. Shipping Act of 1984.

To the extent that the Contractor and Carrier are subject to the provisions of the United States Shipping Act of 1984 (the "Act"), neither party in the discharge of its duties hereunder, shall engage in any activity in violation of that act.

11. Notices.

All required notices shall be in writing and sent to:

The Contractor:

Sea-Land Service, Inc.

P.O. Box 800

Iselin, New Jersey 08830

The Carrier:

Sea-Shuttle, Inc.

New Brunswick, Canada

or to such other address as either party may specify in writing. Urgent notices shall be by telex or cable and confirmed by mail.

12. Subcontracting.

The Contractor may employ subcontractors to perform any or all of its obligations hereunder, but the Contractor shall remain fully responsible for the performance of all terms and conditions of the Agreement.

13. Assignment.

Neither party may assign to any third party its interest in, rights or obligations under this Agreement without the written consent of the other, which consent shall not be unreasonably withheld. However, upon written notice to the Carrier, Contractor may assign its interest in, rights or obligations under this Agreement to any subsidiary or other company affiliated with the Contractor, provided that notwithstanding such assignment, the Contractor shall

guarantee the performance of all the terms and conditions herein.

14. Governing Law, Forum and Arbitration.

(a) This Agreement shall be deemed to be an Agreement made in New York and shall in all respects be governed by and interpreted according to the laws of the State of New York and the laws of the United States.

(b) Any difference or dispute arising between the Parties in respect of any of the provisions of this Agreement, or the breach thereof, shall be settled by litigation in courts of competent jurisdiction in New York, New York, U.S.A., and any judgment rendered in such a suit may be entered in any court having jurisdiction thereof.

15. Amendment.

No modification or amendment of this Agreement is permitted unless reduced to writing, executed by both parties, and, if necessary, submitted to the F.M.C. No such amendment shall be implemented until it becomes effective under The Shipping Act of 1984.

16. Agreement.

(a) This agreement has been executed in three (3) counterparts each of which shall be deemed an original. One counterpart has been retained by the Carrier; one by the Contractor; and one, if necessary, submitted to the F.M.C.

(b) This Agreement contains all the covenants, stipulations and agreements of the parties. Neither party shall be bound by nor liable for, any statement, representation, promise or agreement not set forth herein.

17. Separability.

Should any term, covenant, condition or proviso in this Agreement be held invalid, illegal or unenforceable, the remainder of this Agreement, and the application of such terms, 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 this Agreement shall be valid and enforceable to the extent permitted by law, except if such term, covenant, condition or proviso in the Agreement is a material part of this Agreement.

18. Federal Maritime Commission Review.

This Agreement shall be filed with the Federal Maritime Commission pursuant to Title 46, Code of Federal Regulations. The Agreement shall not be effective until the date determined by the Federal Maritime Commission. The Federal Maritime Commission shall be promptly notified of any termination of this Agreement for any reason other than its expiration. Sea-Land shall submit to the Federal Maritime Commission all documents required under this Article.

IN WITNESS WHEREOF, the Carrier and the Contractor have duly executed this Agreement in the name and on the behalf of each on the date first mentioned above.

SEA-SHUTTLE, INC.
("CARRIER)

SEA-LAND SERVICE, INC.
("CONTRACTOR")





SCHEDULE A

FUNCTIONS AND SERVICES: CONTAINER TERMINAL SERVICE AGREEMENT

1. General.

This Schedule A is attached to and made a part of the Container Terminal Service Agreement between Sea-Shuttle, Inc. (the "Carrier"), and Sea-Land Service, Inc. (the "Contractor") dated the 29th day of December, 1989.

2. Contractor's Obligation.

(a) Except as otherwise specifically provided in this Agreement, Contractor shall provide its services and perform its functions at the Container Terminal in an efficient, economical and prudent manner subject to the general supervision, direction, and instruction of Carrier, its representatives, or the Master of its vessel, and in accordance with sound operating practices.

Subject to the provisions of paragraph (c) below, the Contractor shall provide the following services at the Terminal:

- (1) Adequate berth space;
- (2) Adequate yard space for hauling, sorting, storing and handling containers carried or to be carried in Carrier's Service (hereinafter "containers");

- (3) Container gantry cranes suitable to handle containers and Carrier's vessels' hatch covers provided that gross weight of each container or hatch cover shall not exceed the certified capacity of such gantry cranes; and
 - (4) All necessary equipment, materials and supplies as may be contracted for or requested by Carrier or its designated agents.
- (b) As required by the Carrier, Contractor shall perform the following services at the Terminal on or for the cargo moving in Carrier's Service:
1. All receiving and delivering of containers, chassis and breakbulk freight on behalf of the Carrier. A trailer inspection receipt will be prepared every time equipment is interchanged.
 2. Discharge containers from vessel to dock, transporting same from vessel's side to container storage area and stack, as required.
 3. Pick containers from stacks in container storage area, transport same to vessel's side and load into or onto vessel.

4. Mounting and grounding of containers in conjunction with the working of vessels.
5. All straight time labor and supervision.
6. All machinery, cranes and equipment necessary for efficient performance of stevedoring and terminal operation.
7. All clerk hire and documentation associated with stuffing, stripping, loading and discharging of containers and breakbulk.
8. Rigging of ships gear, opening/closing of hatch covers, removal and reloading of hatch covers, as necessary.
9. Segregation of cargo, including that stripped from containers, in accordance with Carrier's requirements.
10. Contractor to supply vessel upon completion of cargo work with complete cargo plan/bay list, container load list, tally sheets, O.S. & D Reports, etc.
11. Contractor to provide adequate area to accommodate container and/or chassis to meet Carrier's requirements. Free storage space to be provided for Carrier's equipment with number of units to be

determined based upon activity and volume.

12. Contractor to provide chocking, bracing and materials in the stuffing of containers, limited to paper, plywood, dunnage and nails.

13. Provide security including proper gate system.

The intent of this service is to supply personnel to provide ordinary watching functions and to serve as a deterrent measure to prevent pilferage, thefts and/or fire.

- (c) Contractor will perform the functions and provide the services described in paragraphs (a) and (b) of this Schedule in accordance with the Schedule of Charges set forth in Confidential Schedule B.
- (d) Contractor may assist the Carrier in securing performance of container stuffing and container unstuffing services to the extent requested by Carrier or its agents.
- (e) The Carrier will assure that all trucking and draying is scheduled and coordinated with the Contractor to minimize gate delays. The Contractor shall have no liability to reimburse the carrier for trucker delay at the Terminal, provided gate delays are not caused by the Contractor and adequate labor is provided by Contractor to accommodate the Carrier's volume at no additional cost to the Carrier.

3. Carrier's Obligations.

- (a) Compensate the Contractor at the applicable rate listed in Confidential Schedule B for providing the services and performing the functions listed.
- (b) Provide dock receipts, bills of lading and such other printed forms as the Contractor may specifically require.
- (c) Provide the Contractor with copies of manifests as soon as possible.
- (d) Make available for Contractor inspection valid cargo gear registers and certificates pursuant to the requirements of the Safety and Health Regulations for Longshoring and applicable public laws.
- (e) Pay all "tonnage assessments" and similar charges applicable to containers and cargo for which the Contractor is performing services under this Agreement.
- (f) Settle all disputed bills within ninety (90) days.

4. Extra Labor.

When requested in writing by the Carrier, the Contractor will perform extra labor services using rates provided in Confidential Schedule B.

5. Detention.

When persons are employed and unable to work through cause beyond the Contractor's control, or when persons must be paid a minimum working period in accordance with Labor Agreements, idle time will be charged for at detention rates set forth in Confidential Schedule B.

6. Free Time.

Unless otherwise agreed between the Carrier and the Contractor, free time shall be in accordance with Confidential Schedule B of this Agreement.

7. Distress Cargo.

When handling distress cargo (cargo damaged by fire, oil, water, etc.), or in cases where persons are requested to handle cargo under distress conditions, charges are to be based on the cost in accordance with the prevailing ILA wage agreement applicable to the port plus 15% for overhead.

8. Insurance.

The rates set forth in Confidential Schedule B include the cost of Federal Old Age and State Unemployment Insurance (jointly referred to as Social Security Insurance) as well

IN WITNESS WHEREOF, the Carrier and the Contractor have duly executed this Agreement in the name and on the behalf of each on the dated first mentioned above.

SEA-SHUTTLE, INC.
("CARRIER")

Ed. T. Admimer

SEA-LAND SERVICE, INC.
("CONTRACTOR")

John A. ...

SCHEDULE B

TERMINAL SERVICE RATES
 QUOTATION FOR
 SEA-SHUTTLE, INC.

1. DISCHARGE OR LOAD FROM CELLULAR
 CONTAINER VESSEL, LOAD OR EMPTY \$150 PER LIFT

THE ABOVE RATE INCLUDES STRAIGHT TIME STEVEDORING,
 LASHING OF CONTAINERS ON DECK, WHARFAGE, CRANE RENTAL,
 TRACTORS, RECEIVING AND DELIVERY, CLERKING AND CHECKING,
 WEIGHING OF EXPORT CONTAINERS, CARGO PLAN PREPARATION,
 TIR GATE ACTIVITY AND ROADABILITY INSPECTION.

2. DISCHARGE OF CONTAINER FROM SEA-SHUTTLE, INC. VESSEL FOR
 RELAY TO SEA-LAND VESSEL, OR LOADING TO SEA-SHUTTLE,
 INC. VESSEL CONTAINER DISCHARGED FROM SEA-LAND VESSEL.
 \$100 PER LIFT

3. DOCKAGE .10 PER GRT

4. LINE HANDLERS
 DOCKING (STRAIGHT TIME) \$485 PER VESSEL
 (OVERTIME) 727 PER VESSEL
 UNDOCKING (STRAIGHT TIME) 240 PER VESSEL
 (OVERTIME) 360 PER VESSEL

5. OVERTIME DIFFERENTIAL
 GANG COSTS (OVERTIME) \$404 PER HOUR
 (PREMIUM TIME) 808 PER HOUR
 FIXED STAFF (OVERTIME) 220 PER HOUR
 (PREMIUM TIME) 294 PER HOUR

6. STAND-BY DETENTION
 GANG COSTS (STRAIGHT TIME) \$808 PER HOUR
 (OVERTIME) 1212 PER HOUR
 (PREMIUM TIME) 1616 PER HOUR
 FIXED STAFF (STRAIGHT TIME) 334 PER HOUR
 (OVERTIME) 498 PER HOUR
 (PREMIUM TIME) 665 PER HOUR

- | | | |
|-----|---|---|
| 7. | MOUNTING/GROUNDING | \$50 PER MOVE |
| 8. | REEFER HOOK UP CHARGE FOR ELECTRICAL ACCESS - INCLUDES PLUG IN/UNPLUG AND DAILY MONITORING | \$20 PER DAY |
| 9. | INSTALLING OR REMOVING GEN SETS (STRAIGHT TIME) (OVERTIME) | \$50 PER MOVE \$75 PER MOVE |
| 10. | EQUIPMENT RENTAL RATES (OTHER THAN STEVEDORE THRU-PUT) CONTAINER CRANE TOP LOADER TRACTORS STACKER | \$450 PER HOUR 75 PER HOUR 25 PER HOUR 25 PER HOUR |