Maritime Security Discussion Agreement
F.M.C. No. 011852

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BEFORE THE

FEDERAL MARITIME COMMISSION

NO. 011852

MARINE TERMINAL DISCUSSION AGREEMENT
(among Marine Terminal Operators and Ocean Common Carriers)

May 1, 2003

EFFECTIVE
JUN 16 2003
UNDER THE SHIPPING ACT OF 1984
Federal Maritime Commission

FMC Agreement No.: 011852 Effective Date: Monday, June 16, 2003
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ARTICLE I

FULL NAME OF AGREEMENT

The agreement established hereby shall be entitled the "Maritime Security Discussion Agreement" (hereinafter "Agreement").

ARTICLE II

PURPOSE AND AUTHORITY OF THE AGREEMENT

It is the purpose of this Agreement to enable the ocean common carriers and marine terminal operators that are parties hereto, to meet and discuss, and possibly agree on all matters related to: (1) port security, (2) vessel security, (3) passenger security and (4) cargo security to the extent authorized under the Federal Maritime Commission ("FMC") regulations 46 C.F.R. §§ 501 *et seq*. For the purposes of this Agreement, "security" shall include rates, charges, rules, regulations, practices, terms and other conditions of service that involve or affect port, vessel, passenger or cargo safety and protection.

The parties hereto are authorized to (1) conduct joint meetings, (2) hold discussions including discussions and negotiations with appropriate government agencies, (3) obtain, compile, maintain and exchange information, whether past, current or anticipated, including records, statistics, studies, data and documents of any kind or nature, whether prepared by the parties or obtained from outside sources, and (4) enter into understandings and agreements with respect to port security. Any new understandings or agreements reached under this

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Agreement shall be subject to consideration and adoption by the parties hereto, and to the subsequent filing with the FMC, to the extent required by the Shipping Act of 1984 (the "Act") as amended by the Ocean Shipping Reform Act of 1998. Nothing in this Agreement shall be construed to bind any party hereto to any new understanding or agreement reached under this Agreement. Any new understanding or agreement shall be binding only upon those parties that individually subscribe to the new understanding or agreement.

This Agreement shall operate under the authority of 46 U.S.C. app. § 1703(b) and 46 C.F.R. § 535.201(b) as an agreement among marine terminal operators and ocean common carriers to discuss, fix or regulate rates or other conditions of service and to engage in exclusive, preferential, or cooperative working arrangements involving ocean transportation in the foreign commerce of the United States. Any new agreement or understanding reached under this Agreement shall be filed with the FMC to the extent required by the Act, as amended, and shall not become effective except as provided by said Act, as amended.

ARTICLE III

PARTIES TO AGREEMENT

A list of the current parties to this Agreement is set forth in Appendix A annexed hereto. If any additional party or parties join the Agreement or if any party or parties withdraw from the Agreement, the parties will amend their Agreement and file such changes with the FMC in accordance with the FMC's regulations.

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ARTICLE IV

GEOGRAPHIC SCOPE

This Agreement shall apply in all United States ports in which the parties hereto are engaged in activities involving or relating to ocean transportation of cargo or passengers in the foreign commerce of the United States.

ARTICLE V

DELEGATION OF AUTHORITY

The law firm of Lambos & Junge, which is representing the ocean common carriers that are parties to this Agreement, and the law firm of Carroll & Froelich, PLLC, which is representing the marine terminal operators that are parties to this Agreement, are authorized by the parties listed in Appendix A annexed hereto to execute this Agreement and any subsequent modifications or amendments hereto on their behalf, to file this Agreement and any modifications or amendments hereto with the Commission on their behalf, and to make all other filings on their behalf with the Commission relating to this Agreement, including the filing of minutes required by 46 C.F.R. § 535.706.

ARTICLE VI

ADMINISTRATION OF AGREEMENT

Commencing with the first meeting held pursuant to this Agreement, the parties to this Agreement shall thereafter be referred to as "members." The members that are ocean common carriers (hereinafter the "Carrier Class") shall have the sole and exclusive right to select the Chairman to preside at all meetings held pursuant to this Agreement. The

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initial Chairman will be selected by the Carrier Class at the first meeting held pursuant to this Agreement. The members that are marine terminal operators (hereinafter the "MTO Class") shall have the sole and exclusive right to select the Secretary of this Agreement. The initial Secretary of this Agreement will be selected by the MTO Class at the first meeting held pursuant to this Agreement. The Secretary shall be responsible for all administrative tasks as directed by the vote of the members. The Secretary shall schedule meetings upon receiving a request for a meeting, giving all parties hereto a minimum of seven days' notice and distributing a proposed meeting agenda. The Secretary shall be responsible for recording the minutes of all meetings held pursuant to this Agreement.

The members to this Agreement shall have the power to impose and collect membership fees to pay the costs and expenses incurred in the administration of this Agreement, including the fees and charges of counsel, accountants, and other service providers. No costs or expenses shall be incurred on behalf of the members unless such costs or expenses have been approved, either individually or as part of a budget, by the members in accordance with the terms of this Agreement.

ARTICLE VII

MEMBERSHIP

Only ocean common carriers and marine terminal operators whose business involves ocean transportation in the foreign commerce of the United States within the geographic scope of this Agreement are eligible for membership pursuant to this Agreement. The membership shall consist of two classes: the Carrier Class and the MTO Class. A new ocean common carrier shall be allowed to join this Agreement if a majority

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of the current members within the Carrier Class vote in favor of its application for membership. A new marine terminal operator shall be allowed to join this Agreement if a majority of the current members within the MTO Class vote in favor of its application for membership. A member's membership may be revoked by a majority vote of the current members within that member's class. Any member may withdraw from the Agreement at any time by giving written notice to the Secretary.

ARTICLE VIII

VOTING

The members may meet from time to time and at such places as they may decide to hold discussions authorized by this Agreement. Each member shall designate a representative, and may designate an alternate, who shall be authorized to vote on its behalf on any matter before the membership. A quorum for any membership meeting shall require the attendance of a majority of the members of each class. Attendance at meetings under this Agreement may be by telephone or by video conference.

Each member shall be entitled to one vote. In addition, the Chairman shall have the right to cast a vote in the event of any deadlock involving matters other than modifications or amendments to this Agreement. All actions taken shall be authorized by the vote of both the Carrier Class and the MTO Class. Each of these two Classes shall have one vote which shall be cast in accordance with the majority vote of the members of that Class in attendance at the meeting. Except as provided in Article IX, in the event of a voting deadlock between the Carrier Class and the MTO Class, the vote of the Chairman shall determine the action to be taken.

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ARTICLE IX

DURATION, MODIFICATION, AND TERMINATION

This Agreement shall not become effective until permitted by 46 U.S.C. app. §1705. This Agreement shall continue in effect indefinitely until terminated by a majority vote of the members of the Carrier Class and a majority vote of the members of the MTO Class. The terms of this Agreement may be amended or modified by majority vote of the members of the Carrier Class and the members of the MTO Class. Notwithstanding any other provisions of this Agreement to the contrary, the Chairman shall have no authority to break any voting deadlock between the Carrier Class and the MTO Class concerning termination, modifications or amendments to this Agreement. Copies of all modifications and amendments to this Agreement and of any termination of this Agreement shall be filed with the Federal Maritime Commission and become effective as provided in the Act, as amended.

IN WITNESS WHEREOF the undersigned have executed this Agreement on this 1st day of May, 2003 on behalf of all the parties listed in Appendix A annexed hereto.

CARRIER CLASS
FILING REPRESENTATIVE

Carol N. Lambos

Carol N. Lambos
Lambos & Junge
29 Broadway—9th Floor
New York, NY 10006
212-381-9700
Fax: 212-797-9213

MARINE TERMINAL OPERATOR CLASS
FILING REPRESENTATIVE

Charles T. Carroll, Jr. By CNL

Charles T. Carroll, Jr.
Carroll & Froelich, PLLC
2011 Pennsylvania Ave., NW—Suite 301
Washington, DC 20006
202-296-3005
Fax: 202-331-7479

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APPENDIX A to Maritime Security Discussion Agreement

Full Legal Name of Entity	Principle Office Address
CARRIER CLASS	
American President Lines, Ltd	1111 Broadway Oakland, CA 94607-5500
APL Co. Pte Ltd.	1111 Broadway Oakland, CA 94607-5500
COSCO Container Lines Company Limited	100 Lighting Way Secaucus, NJ 07094
Evergreen Marine Corporation	60 Columbia Road Patriot's Plaza, Bldg. B 2nd Floor Morristown, NJ 07960
Hanjin Shipping Company, Ltd.	80 East Route 4 Suite 490 Paramus, NJ 07652-2655
Hapag-Lloyd Container Linie GMBH	399 Hoes Lane Piscataway, NJ 08854
Kawasaki Kisen Kaisha Limited	8730 Stony Point Parkway Suite 400 Richmond, VA 23235
Maersk Sealand	Giralda Farms Madison Avenue Madison, NJ 07940
Mitsui O. S. K. Lines, Ltd.	2300 Clayton Road Suite 1500 Concord, CA 94520
Nippon Yusen Kaisha	300 Lighting Way, 5th Floor Seacaucus, NJ 07094
Yang Ming Transport Corp.	271 Ming De First Road Chidu Keelung Taiwan 206 AGENT c/o Solar International Shipping Agency, Inc. 525 Washington Blvd. 25th Floor

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	Jersey City, NJ 07310
Zim Israel Navigation Co., Ltd.	5801 Lake Wright Drive Norfolk, VA 23502
MARINE TERMINAL OPERATOR CLASS	
Ceres Terminals, Incorporated	1200 Harbor Boulevard Weehawken, NJ 07087
Cooper/T. Smith Stevedoring Co., Inc.	1100 Commerce Building 118 North Royal Street Mobile, AL 36602
Eagle Marine Services Ltd.	1111 Broadway Oakland, CA 94607-5500
Global Terminal & Container Services, Inc.	302 Port Jersey Blvd. Jersey City, NJ 07305
Husky Terminal & Stevedoring, Inc.	710 Port of Tacoma Road Terminal 7-D Tacoma, WA 98421
International Transportation Service, Inc.	1281 Pier J Avenue Long Beach, CA 90802
Long Beach Container Terminal, Inc.	1171 Pier F Avenue Long Beach, CA 90802
Maersk Pacific Ltd.	2500 Navy Way Los Angeles, CA 90731
Maher Terminals, Inc.	Four Connell Drive Berkley Heights, NJ 07922
Marine Terminals Corp.	1999 Harrison Street Suite 550 Oakland, CA 94612-3520
Maryland Port Administration	The World Trade Center Baltimore 401 East Pratt Street—20th Floor Baltimore, MD 21202-3041
Metropolitan Stevedore Co.	720 East E Street

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	Wilmington, CA 90744
P & O Ports North America, Inc.	99 Wood Ave. S 8th Floor Iselin, NJ 08830
South Carolina State Ports Authority	176 Concord Street Charleston, SC 29401
Stevedoring Services of America, Inc.	1131 SW Klickitat Way Seattle, WA 98134
Trans Bay Container Terminal, Inc.	2500 - 7th St. Oakland, CA 94607
TraPac Terminals	920 West Harry Bridges Blvd. Wilmington, CA 90748
Universal Maritime Service Corp.	6000 Carnegie Boulevard Charlotte, NC 28209
Virginia International Terminals	601 World Trade Center Norfolk, VA 23510

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