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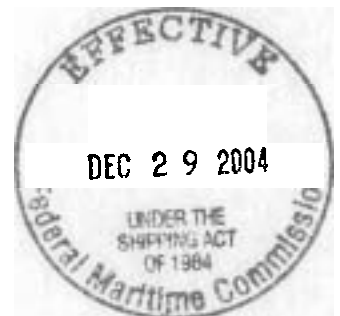
**AGREEMENT NAME:** East Coast North America to West Coast of South America and Caribbean Cooperative Working Agreement

**FMC NUMBER:** 203-011463-006 (4th Edition)

**CLASSIFICATION:** The generic classifications of this Agreement in conformity with 46 C.F.R. § 535.104 are Cooperative Working Agreement, Space Charter and Sailing Agreement.

**CURRENT EXPIRATION DATE:** None

**REPUBLISHED:** This Agreement is republished herein



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East Coast North America to West Coast South America and Caribbean Cooperative Working Agreement

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ARTICLE 1. NAME

This Agreement shall be known as the "East Coast North America to West Coast South America and Caribbean Cooperative Working Agreement" (the "Agreement").

ARTICLE 2. PURPOSE

The purpose of this Agreement is to enable the Parties to provide efficient competitive ocean common carrier services with greater cost effectiveness and operational efficiency in the trade covered herein.

ARTICLE 3. PARTIES

The Parties hereto are:

COMPANIA CHILENA DE NAVEGACION  
INTEROCEANICA S.A. ("CCNI")  
Plaza de la Justicia 59  
CP 237003  
Valparaiso, Chile

COMPANIA SUD AMERICANA  
DE VAPORES S.A. ("CSAV")  
P.O. Box 49-V  
Valparaiso, Chile

HAMBURG-SÜDAMERIKANISCHE DAMPFSCHIFFFAHRTS-  
GESELLSCHAFT KG ("HSDG")  
Ost-West-Strasse 59  
Hamburg, Germany

ARTICLE 4. GEOGRAPHIC SCOPE

This Agreement shall cover the carriage of cargoes between ports in the United States East Coast and inland and coastal points in the United States and Puerto Rico served via those ports, on the one hand, and ports in the Caribbean, Colombia, Panama, Ecuador, Peru and Chile and inland and coastal points served via those ports (including points in Bolivia and Argentina) on the other hand (hereinafter the "Trade").

## **ARTICLE 5. AGREEMENT AUTHORITY**

5.1 The parties may consult and agree upon the deployment and utilization of vessels operated in this Agreement in the Trade including, without limitation, sailing schedules, service frequency, ports to be served, port rotation, type and size of vessels to be utilized, the addition or withdrawal of capacity or vessels from the Trade and the terms and conditions of any such addition or withdrawal. The parties may consult and agree upon the number, type and capacity only of those vessels to be operated for the purpose of this Agreement by each of them. A vessel provided by a party under this Agreement may be chartered from another Agreement party on such terms and conditions as the involved parties may agree. Each party will bear all costs for the vessel(s) it provides, including but not limited to daily running costs, time charter hire, bunkers, port charges, canal dues, dry docking and insurance. This agreement is non-exclusive, and each party may operate or charter space on other vessels in the Trade outside of this Agreement and the maximum number of line-hull vessels to be operated hereunder is 12, each vessel having a maximum capacity of 2500 TEU. Without limiting the above, the parties under this Agreement initially intend to deploy six vessels of about 1,700 TEU per vessel. The Parties may allocate space on the vessels utilized under this Agreement as they may from time to time agree. Allocations shall be based upon the following overall space requirements of each Party (stated in terms of per vessel based on approximately 12 M. Tons per TEU) and can be adjusted as otherwise agreed. The Parties shall be entitled to supply vessels to the Agreement and to utilize space on each vessel operated under the Agreement, northbound and southbound, on roughly the following percentages, as the parties may from time to time agree: CSAV 48.65%; CCNI 24.35%; and HSDG 27%.

5.2 The Parties may use space chartered under this Agreement regardless of the origin or destination of the cargo, including transshipment of cargo to or from an origin or destination which is within or outside the scope of this Agreement, whether under a through bill of lading or otherwise.

5.3 Payment and terms and conditions for usage of the vessels operated under this Agreement shall be as the Parties may from time to time agree. As used herein, the Parties who from time to time charter vessel capacity from another Party shall be referred to as "Charterer". The Party whose vessel capacity is chartered by another Party for transportation hereunder shall be referred to as "Owner." Except as the Parties may otherwise agree from time to time, no Party shall subcharter or assign space obtained from another Party hereunder without the prior written consent of such other Parties. Subcharters or slot charters to companies under common control of or with a Party shall not require consent of the Parties.

5.4 In connection with their service in the Trade, the Parties may consult and agree among or between themselves and with third parties for the use of terminal facilities, may jointly negotiate and enter into leases, subleases or assignments of such facilities and may

contract for stevedoring services, terminal and other related ocean and shoreside services and supplies with each other or jointly with third parties in the United States or elsewhere. Nothing contained herein shall authorize the Parties jointly to operate a marine terminal in the United States unless expressly agreed.

5.5 The parties may discuss and agree upon the terms and conditions, directly or indirectly, to interchange, lease, sublease or return, and may otherwise cooperate among or between themselves in connection with containers, chassis and other equipment, including, but not limited to, operating joint maintenance and repair facilities or establishing joint equipment pools.

5.6 The Parties may also discuss and agree upon administrative matters and related issues, including, but not limited to, performance procedures and penalties, procedures for allocating space, forecasting, terminal operations, stowage planning, schedule adjustments, record keeping, responsibility for loss or damage, the establishment and operation of individual or joint tonnage centers, the interchange of information and data, including EDP communications, regarding all matter within the scope of the Agreement, terms and conditions for force majeure relief, insurance, indemnification, consequences for delays, and treatment of hazardous and dangerous cargoes.

5.7 Each Party shall retain its separate identity, shall have separate sales, pricing and marketing functions, and will issue its own bills of lading, handle its own claims, and shall be fully responsible for the expenses and operation of its owned or chartered vessels and for terminal costs attributable to cargo moved on its own bill of lading. No Party shall be deemed to be the agent for any other Party for any purpose under this Agreement. This Agreement is not and shall not be construed as a joint venture, partnership or unincorporated association and no Party is or shall be construed as, deemed to be or found liable for the debts or obligations of any other Party(ies).

5.8 Each Party may maintain its own separate feeder services, but the Parties may discuss and agree on mutual feeder arrangements.

5.9(a) The Parties agree that they shall have a common position concerning membership in any conference or rate agreement in the Trade. The Parties may discuss and agree on whether to become or remain a member of or withdraw from any conferences or other agreements covering the Trade or any part of it.

5.9(b) The Parties may, on a voluntary basis and subject to the terms and conditions of any conference, rate, discussion or other agreement to which they all are members, discuss and agree upon any rates or rate policy or service items and exceptions therefrom, and the

terms and conditions of service contracts or tariffs maintained by any such conference, rate, discussion or other agreement.

5.9(c) Intentionally omitted.

5.9(d) 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. § 535.407, 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 details of such agreement or the contents thereof shall be divulged to any third party without the prior written approval of the others.

5.10 In recognition of the acquisition of certain assets in the Trade from the former Crowley American Transport, Inc. ("Former Crowley") by Hamburg-Siid, the Parties agree to the assignment of all of Former Crowley's rights, liabilities and obligations under this Agreement to Hamburg-Siid, from the effective date of Amendment No. 003, except that the terms and conditions of the Agreement shall continue to bind the Former Crowley and all of the other Parties thereafter to the extent and for so long as may be necessary to give effect to the rights, obligations, and liabilities of the Parties which have accrued prior to the effective date of the acquisition by Hamburg-Sud, including the rights, obligations, and liabilities relating to the completion of all contracts of carriage outstanding at the time of such acquisition. Notwithstanding anything to the contrary in this Article 5.10 or elsewhere in this Agreement, Hamburg-Siid hereby guarantees the satisfaction of any of Former Crowley's obligations hereunder; provided, however, that nothing herein shall prevent Hamburg-Siid from seeking indemnification from Former Crowley or its parent corporation pursuant to the Sale and Purchase Agreement between Former Crowley and Hamburg-Siid in the event Hamburg-Sud satisfies any of the obligations of the Former Crowley.

## **ARTICLE 6. ADMINISTRATION AND DELEGATION OF AUTHORITY**

6.1 This Agreement shall be administered and implemented by meetings, decisions, memoranda, and communications between the Parties to enable them to effectuate the purposes of this Agreement.

6.2 The following individuals shall have the authority to file this Agreement and any modifications thereto with the Federal Maritime Commission, as well as the authority to delegate same:

- (a) Any authorized officer or representative of a Party; and
- (b) Legal counsel for each of the Parties.

**ARTICLE 7. MEMBERSHIP**

**7.1** 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.

**7.2** Notwithstanding any other provision of this Agreement, any party may withdraw from this Agreement at any time with ninety (90) days written notice to the other Parties, subject to the following terms and conditions:

(a) 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 party be liable to another for consequential damages arising from withdrawal from this Agreement.

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

(c) If at any time any Party is dissolved or becomes insolvent, or fails to pay its debts as they may become due or makes a general assignment, arrangement or composition with or for the benefit of its creditors or has a winding-up order made against it or enters into liquidation, whether voluntarily or compulsorily, or seeks or becomes subject to the appointment of an administrator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets, or is affected by any event or similar act or which under the applicable law of the jurisdiction where it is constituted has an analogous effect or takes any action in furtherance of any of the foregoing acts (other than for the purpose of a consolidation, reconstruction or amalgamation previously approved in writing by the other Parties), and another Party is of the opinion that such event or occurrence is or may be materially detrimental to this Agreement, or sums that may be owed other than those that would be disputed in good faith may not be paid in full or that their payment may be delayed, then such other Party may give notice in writing of its immediate withdrawal from this Agreement.

**ARTICLE 8. VOTING**

Actions taken pursuant to, or any amendment of, this Agreement shall be by unanimous

consent of the Parties

**ARTICLE 9. DURATION AND TERMINATION OF AGREEMENT**

9.1 This Agreement shall be effective as of the date it becomes valid under the Shipping Act of 1984, or such later date as the parties may agree.

9.2 This Agreement shall continue in effect unless the Agreement is terminated pursuant to Article 9.3 or all parties but one withdraw in accordance with Article 7.

9.3 This Agreement may be terminated or suspended in accordance with the following provisions:

(a) Upon the mutual agreement of the Parties.

(b) Any Party may suspend its participation in this Agreement with immediate effect if war, whether declared or not, or hostilities or the imminence thereof, renders the performance of this Agreement wholly or substantially impractical for the foreseeable future or if any Party is by Government action precluded from operating in the Trade or a substantial or material part thereof, for such period that such condition exists.

(c) In the event that any amount or amounts exceeding \$200,000.00 remain due and unpaid from one Party to another beyond any period(s) the Parties may agree to allow for payments, then the Party that is owed the payment may by written notice demand immediate payment in full of the amount due. If the indebted party fails to pay such overdue payments within ten business days after such notice, the affected Party may, without prejudice to any of its other legal rights, refuse to load the defaulting Party's cargo on its vessels until all outstanding payments of the defaulting Party are current. If a bona fide dispute exists as to all or any part of the amount demanded, then this provision shall not apply as to the amount in bona fide dispute.

9.4 In the event of a termination pursuant to Article 9.3, the Parties shall give prompt written notice to the Federal Maritime Commission.

9.5 The termination of this Agreement pursuant to Article 9.3 shall not terminate or otherwise affect any accrued obligations of each Party to the other Parties under this Agreement which have arisen prior to such termination.

**ARTICLE 10. APPLICABLE LAW**

The interpretation, construction and enforcement of this Agreement, and all rights and



obligations between the Parties under this Agreement, shall be governed by the maritime Law of the United States and to the extent not inconsistent therewith, the law of the State of New York, provided, however, that nothing herein shall relieve the Parties of obligations to comply with the Shipping Act of 1984.

**ARTICLE 11.**

**NOTICES**

All notices and other communications pertaining to this Agreement shall be given in writing addressed to the respective Parties, as follows:

If to CCNI

Compañia Chilena de Navegación

Interoceánica S.A.

Plaza de la Justicia 59

Valparaiso, Chile

Telex: 645195CCNI CT

Fax: 56-32-255949

Attention: Atlantic Div. Line Director

If to CSAV

Compañia Sud Americana

de Vapores S.A.

Plaza Sotomayor 50

Valparaiso, Chile

Telex: 330500

Fax: 56-32-203922

Attention: Senior Vice President, Americas Division

If to HSDG

Hamburg-Siidamerikanische Dampfschiffahrts-Gesellschaft KG  
465 South Street  
Morristown, NJ 07960-6439  
Attention: Senior Vice President and General Manager

**ARTICLE 12. LANGUAGE**

This Agreement and all notices, communications or other writings made in connection herewith, shall be in the English language. No Party shall have any obligation to translate such matter into any other language and the wording and the meaning of any such matters in the English language shall govern and control.

**ARTICLE 13. ARBITRATION**

//- (a) Any and all differences and disputes of whatsoever nature arising out of this Agreement which cannot be resolved amicably shall be put to arbitration in the City of New York pursuant to the Rules of the Society of Maritime Arbitrators, Inc., New York ("SMA") before a panel of three arbitrators, unless the parties to the arbitration otherwise agree. The decision of any two of the three arbitrators on any point or points shall be final and binding.

(b) Unless the parties to the arbitration otherwise agree, the arbitrators shall be appointed as follows:

(i) If there are but two parties to the arbitration, each party shall appoint one arbitrator and the two arbitrators so chosen shall appoint a third arbitrator. If the two arbitrators fail to agree on the appointment of a third arbitrator, either party may apply to a court of competent jurisdiction to appoint the third arbitrator.

(ii) If there are more than two parties to the arbitration, the complaining

party or parties shall submit a written request, in which the party or parties complained against shall be given the opportunity to join, to the President of the SMA for a list of arbitrators, the number of which shall be three times the number of parties to the arbitration plus an additional three, and all of which shall be current members of the SMA. Upon receipt of such list, the parties to the arbitration shall confer and, acting in alphabetical order, shall seriatim strike one arbitrator from the list until there remain only three arbitrators, who shall arbitrate the dispute.

(c) Until such time as the arbitrators finally close the hearings any party shall have the right by written notice served on the arbitrators and on the other party(ies) to specify further disputes or differences under this Agreement for hearing and determination.

(d) The arbitrators may grant any relief which they, or a majority of them, deem just and equitable and within the scope of the Agreement, including but not limited to, specific performance. Awards pursuant to this Agreement may include costs, including a reasonable allowance for attorneys fees, but shall not include exemplary or punitive damages. Judgment may be entered upon any award made hereunder in any court having jurisdiction in the premises.

(e) Notwithstanding anything to the contrary in the Agreement or in law, any Party shall have the right to apply to any Court of competent jurisdiction to obtain any pre-judgment remedy to which it may be entitled against another.

#### **ARTICLE 14. NON-ASSIGNMENT**

The Parties agree that no Party hereto shall have the right to assign any of its rights or obligations hereunder to any third-party without the written consent of the other parties hereto.

#### **ARTICLE 15. CABOTAGE**

Notwithstanding that this Agreement covers only international trade, the parties herein state that, during the period governed by this Agreement:

(a) the vessels with non Chilean flag shall not be employed in coastal trade (cabotage) along the Chilean coast (art. 3 of Chilean Law Decree number 3.059, 1979, as amended by Law number 18.454).

(b) no vessel other than a vessel built in, documented under the laws of and owned by citizens of the United States shall transport merchandise between points in the United States, including Districts, Territories and possessions thereof embraced within the U.S. coastwise laws (Section 27 of the Merchant Marine Act, 1920, 46 U.S.C. § 883, as amended).

(c) the same limitations as in (a) and (b) above shall apply to cargo carried in space chartered to other carriers on vessels covered by this agreement.

**ARTICLE 16. SEA CARRIER INITIATIVE AND CONTRABAND**

All Parties agree to comply strictly with the United States Anti-Drug Abuse Act of 1986 and any re-enactments or amendments thereto. All Parties agree to exercise the highest degree of care and diligence in preventing the carriage of drugs and other contraband aboard the Containerships. Each Party warrants it is a signatory to a Sea Carrier Initiative Agreement with the United States Customs Service, that it will remain so as long as it is a party to the Agreement and that it will comply with the provisions of such sea Carrier Initiative agreement.

**SIGNATURE**

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

IN WITNESS WHEREOF, the Parties have this 29<sup>th</sup> day of November, 2004 caused this Agreement to be executed by their duly authorized representatives:

COMPAÑIA CHILENA DE NAVEGACION  
INTEROCEANICA S.A.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

COMPAÑIA SUD AMERICANA  
DE VAPORES S.A.

By: Walter H. Lion \_\_\_\_\_

Name: Walter H. Lion

Title: Attorney

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IN WITNESS WHEREOF, the Parties have this 23<sup>rd</sup> day of November, 2004 caused this Agreement to be executed by their duly authorized representatives:

COMPAÑIA CHILENA DE NAVEGACION INTEROCEANICA S.A.

By: [Signature]

Name: John P. VAZDA

Title: Attorney

COMPAÑIA SUD AMERICANA DE VAPORES S.A.

By: \_\_\_\_\_

Name: Walter H. Lion

Title: Attorney

HAMBURG-SÜDAMERIKANISCHE DAMPFSCIFFFAHRTSGESELLSCHAFT KG

By: \_\_\_\_\_

Name: \_\_\_\_\_

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HAMBURG-SÜDAMERIKANISCHE  
DAMPFSCHIFFFAHRTSGESELLSCHAFTKG

By: 

Name: THOMAS PIRIE

Title: VICE PRESIDENT