Lib

Original Title Page

ABC DISCUSSION AGREEMENT

A Cooperative Working Agreement

FMC Agreement No. 203-011550-007
(2nd Edition)

Date of Last Republication: This Agreement is herein republished.

Expiration Date: None

EFFECTIVE
APR - 9 2001
UNDER THE SHIPPING ACT OF 1984
Federal Maritime Commission

ARTICLE NO.		PAGE NO.
1.	FULL NAME OF THE AGREEMENT	2
2.	PURPOSE OF THE AGREEMENT	2
3.	PARTIES TO THE AGREEMENT	2
4.	GEOGRAPHIC SCOPE	3
5.	AGREEMENT AUTHORITY	3
6.	OFFICIALS OF THE AGREEMENT AND DELEGATES OF AUTHORITY	5
7.	MEMBERSHIP	6
8.	VOTING	9
9.	DURATION AND TERMINATION OF THE AGREEMENT	9
10.	AMENDMENTS AND EXECUTION	9

FMC Agreement No.: 011550-001 Effective Date: Friday, November 1, 1996
Downloaded from WWW.FMC.GOV on Thursday, April 27, 2017

ARTICLE 1: FULL NAME OF THE AGREEMENT

The full name of the Agreement is the ABC Discussion Agreement (the "Agreement").

ARTICLE 2: PURPOSE OF THE AGREEMENT

The purpose of the Agreement is through authorization of discussion, consultation and development of consensus to foster commerce, service and stability in the trade while maintaining the parties freedom of competitive action.

ARTICLE 3: PARTIES TO THE AGREEMENT

1) KING OCEAN SERVICES LIMITED
7570 Northwest 14th Street
Miami, Florida 33126
Nationality: Panama

2) HAMBURG-SUDAMERIKANISCHE DAMPFSCHIFFFAHRTS-GESELLSCHAFT KG
d/b/a CROWLEY AMERICAN TRANSPORT
9485 Regency Square Blvd.
Suite 500
Jacksonville, FL 32225

3) SEAFREIGHT LINE, LTD.
2323 NW 82nd Avenue
Miami, FL 33122
Registry: Florida, USA

4) A.P. MOLLER-MAERSK SEALAND
50 Esplanaden
DK-1098 Copenhagen K
Denmark

EFFECTIVE
MAR 20 2002
UNDER THE SHIPPING ACT OF 1984
Federal Maritime Commission

FMC Agreement No.: 011550-001 Effective Date: Friday, November 1, 1996
Downloaded from WWW.FMC.GOV on Thursday, April 27, 2017

ARTICLE 4: GEOGRAPHIC SCOPE OF THE AGREEMENT

The geographic scope of this Agreement shall be between United States Atlantic and Gulf ports and inland points served via such ports and ports and points in Aruba, Bonaire and Curacao, Netherlands Antilles (the "Trade").

ARTICLE 5: AGREEMENT AUTHORITY

(1) The signatories, through their membership or through duly designated representatives (which may include one or more member lines of each of the signatories), may confer and meet together jointly or with one another to discuss the following matters, and to commission, prepare, issue and circulate joint reports and statements relating thereto:

(a) The signatories are authorized, but not required, to meet, exchange information or otherwise discuss their separate tariffs, general rate levels, service items, rules and service contracts, in the trade. The authority of the signatories includes, discussion and consideration, of all aspects of transportation and service in the trade, including general rate levels, charges, classifications, practices, terms, conditions and rules and regulations applicable to transportation of cargo in the ~~t~~ Trade and to service provided in connection therewith, notice periods for changing rates, service items, port-to-port rates, overland rates, mini-land-bridge rates, interior point intermodal rates, proportional rates, through rates, inland portions of through rates, joint rates, minimum rates, surcharges, arbitraries, volume rates, time/volume rates, project rates, freight-all-kinds rates, volume incentive programs, loyalty arrangements of fidelity commission systems, conforming to the antitrust laws of the United States, consolidation, consolidation allowances, rates on commodities exempt from tariff filing, absorptions, equalization, substituted (alternate port) services, allowances, freight forwarder compensation, brokerage, the conditions determining such compensation or brokerage and the payment thereof, receiving, handling, storing, and delivery of cargo, designation of base ports and points, pick up and delivery charges, free time practices, detention, demurrage, container depots, terminals and other points of cargo receipt, vanning, devanning, furnishing equipment to or leasing equipment from shippers/consignees/inland carriers/others, collection

FMC Agreement No.: 011550-001 Effective Date: Friday, November 1, 1996 001
Downloaded from WWW.FMC.GOV on Thursday, April 27, 2017

agents at destination, rules regarding the time and currency in which the signatories collect their rates and charges, maintaining and distributing information and data and statistics and all other practices, rules, regulations and matters ancillary to transportation of cargo moving within the scope of this Agreement.

(b) Developments and changes affecting transportation by member lines of the several signatories, such as containerization, unitization, palletization, cargo inspection, port and terminal costs and related charges, and intermodal transportation generally;

(c) Establishment and maintenance by the signatories of a common credit system, policing system or cargo inspection system;

(d) Public relations regarding the services provided by the signatories and by their respective member lines; and

(e) Promotion of commerce in trades served by the signatories;

(f) Legal questions; and

(g) Proposed or enacted legislation of any government; actual or proposed executive decisions and orders of any government; actual or proposed decisions or other actions of the courts, administrative agencies, port authorities, or other agencies or instrumentalities of any government; and actual or proposed decisions or other actions of terminal conferences or other associations of carriers, shippers or other persons concerned with the foreign commerce of the United States.

(2) This Agreement does not authorize any common tariffs. All parties collectively, or any two or more parties separately, may jointly enter into service contracts for cargo moving in the Trade or any portion thereof and the Agreement may adopt voluntary, non-binding guidelines relating to the terms and procedures of a party's or parties' individual service contracts which shall be submitted to the Federal Maritime Commission confidentially. The parties are not required hereunder to agree upon, or if they do agree, to adhere to any uniform rates, charges, practices, conditions of service, or other decisions. Each party shall designate a point or points of entry for receipt of all inter-party communications in connection with the operation of this Agreement.

FMC Agreement No.: 011550-001 Effective Date: Friday, November 1, 1996
Downloaded from WWW.FMC.GOV on Thursday, April 27, 2017

(3) Any signatory to this Agreement or individual carrier participating in this Agreement as a member of a signatory conference may meet in person, by telephone or conduct business by written, fax or other electronic exchanges. At any meeting in order to foster a consensus, any signatory to this Agreement or individual carrier participating in this Agreement as a member of a signatory conference may communicate directly with each other and express their views with respect to any matter authorized herein.

(4) To further assist in discussions, any signatory to this Agreement or individual carrier participating in this Agreement as a member of a signatory conference may communicate directly with some or all of the other individual member lines and exchange information with them, with respect to any matter authorized herein prior to Discussion Agreement meetings.

(5) The parties may charter space to, from and among each other on vessels owned or operated by them on such terms and conditions as they shall agree. The parties may also jointly establish sailing schedules, port rotation, limit sailings and jointly advertise each others vessels, provided, however, that any such activities in which the members engage pursuant to this Article 5(5) shall be on an *ad hoc*, interim (defined to mean for a period not to exceed ninety (90) days), sporadic or emergency basis, it being understood that all on-going space charter arrangements (and other activities) shall be pursuant to separate and discreet agreements filed with the Federal Maritime Commission.

(6) The Agreement shall submit to the FMC separate and sequentially numbered confidential minute records on a quarterly calendar year basis reporting all charter arrangements entered into between or among the members pursuant hereto and specifying, for each such arrangement, (i) the names of the chartering and underlying carrier parties; (ii) the amount of space chartered expressed in twenty foot equivalent container united (TEU's); (iii) the commencement and termination dates; and (iv) the port or ports from or to which it applies.

ARTICLE 6: OFFICIALS OF THE AGREEMENT AND DELEGATION OF AUTHORITY

(1) The signatories may appoint administrative officials as they deem appropriate and shall share the expenses of the Agreement as they may determine from time to time. Upon the unanimous vote of the parties, the Agreement is authorized to enter into a contract (s) with respect to administrative and support services.

FMC Agreement No.: 011550-001 Effective Date: Friday, November 1, 1996
Downloaded from WWW.FMC.GOV on Thursday, April 27, 2017

(2) The persons authorized to execute and file the Agreement or any subsequent modifications thereto with and submit associated supporting materials to the Federal Maritime Commission are Associated Conferences Secretariat or such other persons as the parties may hereafter designate in writing.

ARTICLE 7: MEMBERSHIP

(1) Any ocean common carrier which is regularly engaged in the Trade, directly or by transshipment, or which furnishes evidence of ability and an intention in good faith to institute and maintain a regular service in the Trade, or any conference of such carriers (as defined in the Shipping Act of 1984), may hereafter become a party to this Agreement by signing the Agreement or a counterpart copy thereof and furnishing the same to the Chairman and paying an admission fee of $2000.00 (U.S.).

(2) No ocean common carrier which has complied with the conditions set forth in this Article shall be denied admission or readmission to membership. Prompt notice of admission to membership shall be furnished to the Federal Maritime Commission by amendment to this Agreement and no admission shall be effective prior to the postmark date of such notice. Advice of any denial of admission to membership, together with a statement of the reasons therefore, shall be furnished promptly to the Federal Maritime Commission.

(3) Each applicant for admission shall sign a copy of this Agreement. Upon dissolution of the Agreement, all sums of money remaining in the Agreement treasury, after payment of all expenses, shall be divided among the parties at the time of dissolution pro rata.

(4) A party which is a joint venture or consortium of two or more ocean common carriers but operated as a single entity shall be treated as a single party for all purposes under this Agreement.

(5) Any Member may resign without penalty from the Agreement effective not less than thirty (30) days after filing a written notice with the Agreement office, which shall promptly serve the notice on the other Members. Provided, however, that the retention of security for the payment of outstanding obligations hereunder shall not be considered as a penalty. Notice of the resignation of any Member shall be furnished promptly to the Federal Maritime Commission by amendment to this Agreement.

(6) The filing of a notice of resignation shall not, until the resignation becomes effective, relieve a party of its obligations under this Agreement, but a party shall not, after filing of a notice of resignation, be entitled to vote on any matter which is to become effective after the date of its resignation, or on any amendment of this Agreement.

FMC Agreement No.: 011550-001 Effective Date: Friday, November 1, 1996
Downloaded from WWW.FMC.GOV on Thursday, April 27, 2017

(7) Computation of outstanding obligations of any resigning party, unless otherwise agreed to by the remaining parties, shall include all financial obligations entered into by the Agreement at the time the party became a party to the Agreement and subsequent thereto up to the effective date of the party's resignation. The resigning party shall also be responsible for its share of the current year's administration fee, plus the next three (3) months fee towards any financial obligations that the Agreement undertook while it was a party or to which the Agreement became a party to while it was a party.

(8) No party may be expelled against its will from the Agreement except for failure to maintain an ocean common carrier service within the scope of this Agreement (said failure to be determined according to the minimum sailing requirements set forth in paragraph (10) below) or for failure to abide by the terms and conditions of this Agreement including the maintenance of the financial guarantees set forth in paragraph (11) below. Expulsion must be authorized by unanimous vote of all parties entitled to vote, excluding the party whose expulsion is at issue.

(9) No expulsion shall become effective until a detailed statement setting forth the reasons therefore has been furnished to the expelled party and a copy thereof has been submitted to the Federal Maritime Commission.

(10) In the event that a party shall fail to have a sailing within the scope of this Agreement during any period of ninety (90) consecutive days, strikes and force majeure excepted, such party shall not be entitled to vote on any and all Agreement matters, and the right to vote shall be restored only after such party has loaded cargo and sailed a vessel in the Trade. Failure to have a sailing within the scope of the Trade during any period of one hundred twenty (120) consecutive days, strikes a force majeure excepted, shall constitute cause for expulsion.

(11) Unless the parties otherwise agree by a vote of unanimous less one, simultaneous with admission to Agreement membership, a party shall furnish to the Chairman a financial guarantee of its compliance with all of the terms and provisions of this Agreement and rules and regulations thereunder. Unless waived as hereinabove provided, no party shall be entitled to membership privileges until it has furnished the financial guarantee. Said guarantee shall consist of either:

(a) A sum equal to one-half of the total estimated operating expenses of the Agreement for the year immediately preceding the calendar year in which the party joins the Agreement or One Thousand ($1,000.00) Dollars United States Currency, whichever is greater. Such sum shall be deposited by the Agreement in an account which may be drawn upon by the Chairman or in his absence any other officer duly authorized; or

(b) A surety bond or confirmed irrevocable letter of credit, in such form as shall be acceptable to the Chairman, in a sum equal to one-half of the total

FMC Agreement No.: 011550-001 Effective Date: Friday, November 1, 1996
Downloaded from WWW.FMC.GOV on Thursday, April 27, 2017

estimated operating expenses of the Agreement for the year immediately preceding the calendar year in which the party joins the Agreement or One Thousand ($1,000.00) Dollars United States Currency, whichever is greater, established by a bank which is a Member of the New York Clearing House. Such surety bond or letter of credit shall provide that it may be drawn upon in full or in part by draft payable to the order of the Agreement, signed in the name of the Agreement by the Chairman, or in, his absence any other officer duly authorized to so act and countersigned by an officer of another party to this Agreement to which there shall be attached a certificate signed by the Chairman or in his absence any other officer duly authorized to so act, to the effect that (1) there has been assessed or adjudged against the party who shall have deposited said surety bond or letter of credit the amount of said draft or (2) that there are expenses or liabilities, actual or contingent, of the Agreement incurred or accrued during said party's membership in the Agreement the party's share of which is unpaid and equal to or exceeded by the amount of said draft.

(12) In the event that a party has failed to pay an expense invoice issued by the Agreement within sixty (60) days from the date it is issued, it shall lose all voting privileges under this Agreement. If said invoice remains unpaid after ninety (90) days, then the Chairman shall immediately drawdown the party's security deposit. The party shall not have its voting privileges reinstated until its security deposit has been fully restored.

(13) Such security deposit shall be retained by the Agreement until the party is released from all liabilities by the Agreement or ninety (90) days from the effective date of the party's withdrawal from the Agreement, whichever shall first occur. Provided however, that if on such date the Chairman certifies that there is any undischarged financial liability of the Agreement, contingent or payable, accruing during the period of the party's membership, such security deposit shall be retained during the pendency of any investigation, arbitration or litigation which might result in a liability to such party, or until the violations or claim has been settled in accordance with the provisions of this Agreement.

(14) All funds or securities so deposited shall be for the account of the depositing party and shall be remitted promptly to it.

(15) In the event a party that was required to provide a security deposit has failed to maintain or replenish its security deposit as required by this Article, then upon the expiration of 30 calendar days after its security deposit has been drawn upon or after 90 calendar days from the date of admission, the Member shall automatically be expelled from Membership and the Chairman shall immediately notify in writing the Member and the Federal Maritime Commission accordingly.

FMC Agreement No.: 011550-001 Effective Date: Friday, November 1, 1996
Downloaded from WWW.FMC.GOV on Thursday, April 27, 2017

ARTICLE 8: VOTING

Except as otherwise provided in Articles 6, 7 and 10 hereof, there is no voting under this Agreement. Any consensus or agreement reached by some or all parties hereunder shall be a matter of voluntary adherence by those parties choosing to so agree. Provided, however, that any matter submitted to Agreement shall be acted upon promptly by the parties.

ARTICLE 9: DURATION AND TERMINATION OF THE AGREEMENT

This Agreement shall enter into force, and may be implemented, as of the first day it becomes effective pursuant to the Shipping Act of 1984. This Agreement shall continue in effect indefinitely until cancelled by the parties.

ARTICLE 10: AMENDMENTS AND EXECUTION

This Agreement may be modified by majority agreement of the signatories and any modification hereto shall be executed in writing. If it is executed by separate counterparts, each such counterpart shall be deemed an original, ~~and~~ all of which together shall constitute a single instrument.

FMC Agreement No.: 011550-001 Effective Date: Friday, November 1, 1996
Downloaded from WWW.FMC.GOV on Thursday, April 27, 2017