PORT OF PORTLAND/PORT OF VANCOUVER
DISCUSSION AGREEMENT

FMC Agreement No. ________________

(A Marine Terminal Discussion Agreement)

This Agreement Has Not Been Published Previously
**TABLE OF CONTENTS**

<table>
<thead>
<tr>
<th>Article</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Full Name of the Agreement</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>Agreement Authority</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Authorized Representatives</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>Voting</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>Duration</td>
<td>4</td>
</tr>
<tr>
<td>6</td>
<td>Modifications</td>
<td>4</td>
</tr>
<tr>
<td>7</td>
<td>Notices</td>
<td>4</td>
</tr>
</tbody>
</table>
This Agreement is made this __ day of __________, 1996, by and between the Port of Portland, Oregon ("Portland") and the Port of Vancouver, Washington ("Vancouver").

WITNESSETH THAT:

WHEREAS, each of the parties hereto is a public marine terminal operator and owns, administers and/or operates public wharves and other terminal facilities in connection with ocean common carriers operating owned or chartered vessels; and

WHEREAS, Portland and Vancouver have common interests in facilitating the efficient movement of cargo in the lower Columbia River and in the Portland harbor; and

WHEREAS, in recognition of their common interests, the Commissions of Portland and Vancouver met in joint session on December 6, 1995 and adopted separate resolutions providing for the discussion of ways to cooperate and facilitate the movement of cargo through their facilities; and

WHEREAS, in furtherance of these resolutions, Portland and Vancouver entered into an intergovernmental agreement which was filed with the Federal Maritime Commission by letter dated February 20, 1996 but was withdrawn on February 26, 1996 to better define the discussion authority; and

WHEREAS, Portland and Vancouver have determined, in furtherance of the December 6, 1995 resolutions, to enter into a further agreement authorizing their respective staffs to conduct joint meetings, discussions, and to exchange information to assess and determine whether they can enter into arrangements relating to some or all of their marine terminal facilities and possible rationalization or coordinated operation of such facilities.

NOW, THEREFORE, in consideration of the premises and of the mutual undertakings of the parties, it is hereby agreed as follows:

ARTICLE 1: FULL NAME OF THE AGREEMENT

This agreement may be referred to as the "Port of Portland/Port of Vancouver Discussion Agreement" (the "Agreement").

ARTICLE 2: AGREEMENT AUTHORITY

The purpose of the Agreement is to authorize the staffs of the respective parties to conduct joint meetings and discussions, and
to 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, to allow the development and drafting of joint proposals to present to the Commissions of Portland and Vancouver relating to possible cooperation on:

2.1 The types, capacity, pricing and total number of facilities that each party will develop or operate and the terms, conditions and operational details, including return on investment, pertaining thereto;

2.2 The terms and conditions governing the sharing of space in facilities and assistance in providing better highway and rail access to those facilities;

2.3 The reduction of costs and expenses, including administrative costs in managing the parties’ marine terminal facilities;

2.4 The coordination of intermodal operations to the extent permitted by law;

2.5 The negotiation of agreements with ocean carriers and stevedores for use of terminal and other shoreside facilities;

2.6 The marketing and development of the parties’ facilities;

2.7 The transition from the parties’ current operations to operations under such arrangements as may be eventually agreed, if any, as a result of the discussions and exchange of information; and

2.8 Any other matter ancillary to the above-described authority.

Any understandings reached as a result of discussion and exchanges of information under this Agreement shall be subject to consideration and adoption by the Commissions of Portland and Vancouver, and to the subsequent filing with the Federal Maritime Commission, to the extent required by Section 5 of the Shipping Act of 1984.

ARTICLE 3: AUTHORIZED REPRESENTATIVES

The Executive Director of each party to the Agreement and Legal Counsel for each party, or their delegatee, are authorized to execute this Agreement and any subsequent modifications hereto on
behalf of such party and to file same with the FMC. This Agreement, and any modification hereto, may be executed in writing by separate counterparts, each of which shall be deemed an original, and all of which together shall constitute a single instrument.

ARTICLE 4: VOTING

All decisions taken under this Agreement shall be by mutual agreement of the parties. The parties may meet, from time-to-time and at such places as they may decide, for the purpose of implementing this Agreement; however, actions under this Agreement may also be taken pursuant to telephone, facsimile or other means of communication.

ARTICLE 5: DURATION

This Agreement shall continue in effect indefinitely unless either party shall provide written notice to the other party that it wishes to terminate the Agreement at an earlier time. Any notice of termination shall also be provided to the FMC.

ARTICLE 6: MODIFICATIONS

The terms of this Agreement may be modified upon the unanimous vote of the parties. Copies of such modifications shall be filed with the FMC and become effective under the Shipping Act of 1984 prior to their implementation.

ARTICLE 7: NOTICES

Any notice permitted or required to be sent hereunder by either party to the other party shall be in writing, and shall be deemed to have been given when served in person on the addressee, or sent by certified mail, return receipt requested, or overnight delivery service, postage prepaid, addressed as follows:

If to Portland:
Port of Portland
700 NE Multnomah
Portland, OR 97232
Attn: Executive Director

If to Vancouver:
Port of Vancouver
3103 Lower River Road
Vancouver, WA 98660
Attn: Executive Director
Port of Portland/Port of Vancouver
Discussion Agreement
FMC Agreement No. 

with a copy to:
Cory Streisinger, Esq.
Port of Portland
700 NE Multnomah
Portland, OR 97232

with a copy to:
Lawrance L. Paulson, Esq.
Schwabe, Williamson & Wyatt
1111 Main Street, Suite 410
Vancouver, WA 98666

IN WITNESS WHEREOF, Portland and Vancouver have executed this Agreement as of the day first written above.

PORT OF PORTLAND
By
Mike Thorne
Executive Director

APPROVED AS TO LEGAL SUFFICIENCY
By
Of Counsel to the
Port of Portland

APPROVED AS TO LEGAL SUFFICIENCY
By
Of Counsel to the
Port of Vancouver

APPROVED AS TO LEGAL SUFFICIENCY
By: Lynn Rosiek 4-3-96
Assistant Attorney General
State of Oregon