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FEDERAL MARITIME COMMISSION

Original Title Page

PACIFIC PORTS OPERATIONAL IMPROVEMENTS AGREEMENT

FMC AGREEMENT NO. **201227**

A Cooperative Working Agreement

Original Effective Date: \_\_\_\_\_



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**ARTICLE I. FULL NAME OF THE AGREEMENT**

The Agreement established hereby shall be entitled the “Pacific Ports Operational Improvement Agreement” (hereinafter “Agreement”).

**ARTICLE II. PURPOSE OF THE AGREEMENT**

The purpose of this Agreement is to authorize the Parties to discuss and agree on policies, actions and procedures relating to their operations, facilities, services, and other matters for the purpose of achieving operational improvements at Pacific Coast ports with regard to, without limitation, congestion, efficiency, fluidity, equipment safety and reliability, and other conditions at Pacific Coast ports.

**ARTICLE III. PARTIES**

The parties to this agreement (hereinafter referred to individually as a “Party” and collectively as “Parties”) are set forth in Appendix A and include the following: (a) the West Coast MTO Agreement (“WCMTOA”) (FMC No. 201143); (b) the individual member marine terminal operators of WCMTOA listed in Appendix A (the “WCMTOA Members”); (c) other marine terminal operators listed in Appendix A (the “Non-WCMTOA MTOs”); (d) the Ocean Carrier Equipment Management Association (“OCEMA”) (FMC No. 202-011284); (e) the individual member ocean common carriers of OCEMA listed in Appendix A (the “OCEMA Members”); (f) the other ocean common carriers listed in Appendix A (the “Non-OCEMA Carriers”). The WCMTOA Members and the Non-WCMTOA MTOs shall be referred to collectively as the “Marine Terminal Operator Parties.” The OCEMA Members and the Non-OCEMA Carriers shall be referred to collectively as the “Ocean Carrier Parties.”

**ARTICLE IV. GEOGRAPHIC SCOPE**

This Agreement shall apply to the areas in and around all ports and marine terminal facilities within the States of California, Oregon, and Washington in which the parties hereto are engaged in activities involving or relating to ocean transportation of cargo in the foreign commerce of the United States (hereinafter the "Trade").

**ARTICLE V. AUTHORITIES**

(a) The Parties, or any two or more of them, are authorized to meet, discuss, and agree upon all matters in the Trade relating to any of the following:

- (i) measures to address congestion at the terminals and surrounding areas, delivery of cargo, and overall supply chain efficiency;
- (ii) cargo handling, management and use of cargo handling equipment, cargo handling areas, and vessel load and discharge processes, as well as the efficient use of the wharves and berths;
- (iii) interchange of equipment, gate rules and operating hours, usage, storage, handling, repositioning, inspection, maintenance and repair, and loading/unloading of intermodal equipment;
- (iv) liability for loss of and/or damage to equipment, as well as measures to reduce accident liability risk and cargo damage;
- (v) measures to promote availability and efficient use of chassis and related equipment;

(vi) measures to promote safe and efficient equipment operations at West Coast terminals and on public roads and other public and private facilities, including but not limited to: (a) inspections, maintenance, and repairs of chassis and related equipment at any West Coast marine terminal facilities, and (b) matters concerning the location, frequency, standards, rules, assignment and allocation of responsibilities and obligations, record-keeping, cost recovery, payment, billing procedures, and other terms and conditions relating to such inspections, maintenance, and repairs.

(vii) processes to improve the availability and condition of intermodal equipment available for interchange with motor carriers, and/or to ensure adequacy of supply of equipment;

(viii) processes to reduce on- and off-terminal truck queuing and/or improve motor carrier throughput/turn times at the terminals;

(ix) development and use of land transportation facilities and services, including but not limited to use of rail ramps, coordination of rail loading and block assembly procedures, and systems to minimize inefficiencies regarding same, on-dock rail facilities, and availability of rail equipment;

(x) port-related transportation infrastructure projects including, but not limited to increasing the number of truck gates and development of short-haul rail;

(xi) environmental and security aspects relating to any matter addressed in Article V(a) hereof; and

(xii) compliance with laws, regulations, requirements or standards established or mandated by one or more ports, federal, state, or local governments, or other governmental and quasi-governmental authorities, entities or agencies.

(b) In order to implement the authority contained in subsection (a), the parties hereto are authorized to:

(i) 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 or consultants;

(ii) subject to subpart (e) hereof, meet, individually or collectively, and/or discuss, exchange information, and reach agreement with ports, stevedores, leasing companies or other equipment providers, owners, users, or operators of intermodal equipment (including inland carriers, ocean common carriers and/or shippers), equipment pool operators, government agencies and officials, or other parties, with respect to the development, implementation, agreement on and administration of the matters within the authorities contained in Article V(a);

(iii) develop and utilize information systems and technology to assist in furthering the purposes hereof;

(iv) retain consultants, professional service providers and third party vendors to assist the Parties with matters within the scope of the Agreement;  
and

(v) develop and agree upon rules, regulations, procedures, practices, terms and conditions (collectively "Terms") applied by or applicable to any of the Parties on a subject within the scope of Article V.(a), including but not limited to: Terms that may be in any Party's tariffs, marine terminal operator schedules, leases, cooperative working agreements or marine terminal agreements; provided, however, that any Terms agreed upon pursuant to a vote under Article VI hereof which are to be published in the ocean carrier tariff(s) or marine terminal operator schedule(s) of any Party shall not become effective until thirty (30) days after the relevant portion of such tariff or schedule has been provided to the Federal Maritime Commission; further provided, that nothing herein shall authorize the Parties to agree hereunder to impose rates, charges (including detention and demurrage), or other fees on non-Parties.

(c) Nothing in this Agreement shall be construed to alter or supersede obligations of any of the Parties under any applicable contract, agreement, terminal lease, or collective bargaining agreement.

(d) The Parties are authorized to discuss, share information, and reach agreement with respect to matters within the subjects included in Article V hereof, which are pending before or were decided by other ocean common carrier or marine terminal operator agreements to which one or more of the Parties hereto are a party. The Parties are further authorized to discuss and share information as to matters pending before or decided pursuant to this Agreement with OCEMA, WCMTOA or other agreements to which they are also a party.

(e) This Agreement does not authorize the Parties to discuss, negotiate, agree upon, or jointly contract for freight rates or compensation to be paid by any Party to motor or rail carriers.

(f) This Agreement does not authorize the Parties to agree upon: (1) terms of contracts between individual chassis leasing or rental companies and their customers for the rental or lease of chassis; or (2) the establishment or operation of a chassis pool or the selection or appointment of the manager of a chassis pool within the geographic scope hereof.

(g) To the extent required by the U.S. Shipping Act of 1984, as amended, and 46 C.F.R. § 535.408, any agreements reached hereunder which are not authorized by the terms of this Agreement shall be reflected in an amendment to this Agreement filed with the Federal Maritime Commission.

#### **ARTICLE VI. ADMINISTRATION**

(a) This Agreement shall be administered by the Parties and/or their duly authorized representatives. The activities authorized in this Agreement may be carried out through meetings, telephone communications, video conferences, electronic mail

or other electronic communications, writings and/or such other means of communications as the Parties may deem appropriate. The Parties will establish a communications structure to jointly coordinate the day-to-day operational requirements of the Agreement. The Parties may establish such standing, advisory, and ad hoc committees as they deem desirable for the furtherance of the purposes of this Agreement and may delegate responsibilities hereunder to any such committee. The Parties are authorized to share administrative and other costs as they may agree from time to time.

(b) Decisions or agreements hereunder shall require the affirmative vote of a majority of the ocean carrier Parties and a majority of the marine terminal operator Parties. Each Party shall have one (1) vote. For purposes of determining whether a majority has been obtained, only those Parties present and entitled to vote shall be counted. A Party is present if it is present at a meeting (including a telephonic or electronic meeting) at which a vote is taken or participates timely in an electronic poll through which a vote is taken. A Party is entitled to vote if the matter under consideration relates to either the entire geographic scope of the Agreement or a portion of the geographic scope of the Agreement in which that Party provides either ocean common carrier or marine terminal services.

(c) Decisions or agreements reached hereunder which affect individual VOCC or MTO operations shall be matters of voluntary adherence, unless a Party submits, in its individual and exclusive discretion, a written statement of its intent to be bound by such decision or agreement. The Parties submitting such statements will be identified in the minutes of meetings of the Agreement. No Party may be required to attend a meeting regarding any proposed or adopted decision or agreement, or to otherwise discuss its intent to be bound or not to be bound by any such decision or agreement.

(d) Notwithstanding anything to the contrary in Article VI(c) above, decisions with respect to amendments to this Agreement, the administration of this Agreement, and positions to be taken by the Agreement on public policy matters shall always be binding.

(e) Nothing herein shall in any way alter or amend the voting procedures and requirements set forth in the WCMTOA or OCEMA agreements.

(f) Any discussions or agreements among two or more of the Parties will be reported to an administrator to be appointed by the Parties. Any regulatory filings required to be made with respect to such discussions or agreements shall be made as required by applicable law.

**ARTICLE VII. MEMBERSHIP**

Membership is limited to marine terminal operators and ocean common carriers (within the meaning of the Shipping Act of 1984, as amended) serving West Coast ports, or associations of marine terminal operators or ocean carriers, provided that

any new member will not become a party to this Agreement until an amendment to this Agreement providing for such membership is effective pursuant to the Shipping Act of 1984, as amended.

**ARTICLE VIII. DURATION AND TERMINATION**

(a) This Agreement shall be effective as of the date it becomes effective under the U.S. Shipping Act of 1984, as amended, and shall continue in effect until terminated.

(b) Any Party shall have the right to withdraw from this Agreement by giving not less than sixty (60) days written notice to the other Parties.

**ARTICLE IX. GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with U.S. maritime law, including the Shipping Act of 1984, as amended, codified at 46 U.S.C. § 40101 et seq., and regulations issued pursuant thereto.

**ARTICLE X. NOTICES**

All notices pertaining to this Agreement, except as the Parties may otherwise agree, shall be sent by first class mail or email, and shall be confirmed by mail or email, to the person specified by the Party at the address set forth in Appendix A.

**ARTICLE XI. EXECUTION AND COUNTERPARTS**

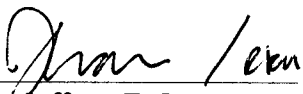
A law firm to be designated by the Parties from time to time shall have the authority to execute and file this Agreement and all amendments thereto on behalf of the Parties. The Agreement and each amendment or republication of the Agreement

may be executed in one or more counterparts, and all such counterparts shall constitute one Agreement, notwithstanding that all Parties are not signatory to the same counterpart.

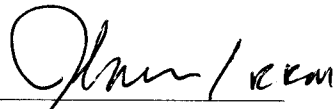
**SIGNATURE PAGE**

**IN WITNESS WHEREOF** the undersigned have executed this Agreement as of  
this 3<sup>rd</sup> day of March, 2015 on behalf of the parties listed in Appendix A.

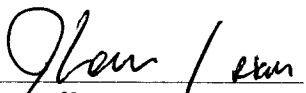
Ocean Carrier Equipment  
Management Association, Inc.

By:   
Name: Jeffrey F. Lawrence  
Title: Attorney-in-Fact

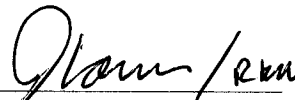
West Coast MTO Agreement

By:   
Name: David F. Smith  
Title: Attorney-in-Fact


Maersk Line A/S

By:   
Name: Jeffrey F. Lawrence  
Title: Attorney-in-Fact

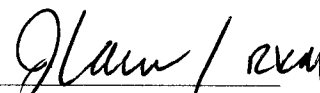
APL Co. Pte Ltd

By:   
Name: Jeffrey F. Lawrence  
Title: Attorney-in-Fact

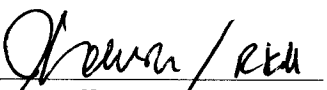
American President Lines, Ltd.

By:   
Name: Jeffrey F. Lawrence  
Title: Attorney-in-Fact

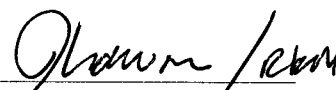
Hapag-Lloyd AG

By:   
Name: Jeffrey F. Lawrence  
Title: Attorney-in-Fact

Hapag-Lloyd USA LLC


By:   
Name: Jeffrey F. Lawrence  
Title: Attorney-in-Fact

Companhia Libra de Navegacao


By:   
Name: Jeffrey F. Lawrence  
Title: Attorney-in-Fact

SIGNATURE PAGE (Continued)


Compania Libra de Navegacion  
Uruguay S.A.

By:   
Name: Jeffrey F. Lawrence  
Title: Attorney-in-Fact

Cosco Container Lines Company  
Limited

By:   
Name: Jeffrey F. Lawrence  
Title: Attorney-in-Fact


Mitsui O.S.K. Lines, Ltd.

By:   
Name: Jeffrey F. Lawrence  
Title: Attorney-in-Fact


Evergreen Line Joint Service Limited  
Agreement FMC No. 011982

By:   
Name: Jeffrey F. Lawrence  
Title: Attorney-in-Fact


Hamburg Sudamerikanische  
Dampfschiffahrtsgesellschaft KG

By:   
Name: Jeffrey F. Lawrence  
Title: Attorney-in-Fact


Aliança Navegação e Logística Ltda.

By:   
Name: Jeffrey F. Lawrence  
Title: Attorney-in-Fact

Hanjin Shipping Co., Ltd.

By:   
Name: Jeffrey F. Lawrence  
Title: Attorney-in-Fact

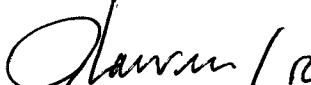
Nippon Yusen Kaisha Line

By:   
Name: Jeffrey F. Lawrence  
Title: Attorney-in-Fact

CMA CGM S.A.

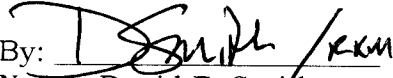
By:   
Name: Jeffrey F. Lawrence  
Title: Attorney-in-Fact

Kawasaki Kisen Kaisha, Ltd.


By:   
Name: Jeffrey F. Lawrence  
Title: Attorney-in-Fact

SIGNATURE PAGE (Continued)


APM Terminals Pacific Ltd.

By:   
Name: David F. Smith  
Title: Attorney-in-Fact

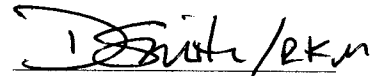
California United Terminals, Inc.

By:   
Name: David F. Smith  
Title: Attorney-in-Fact

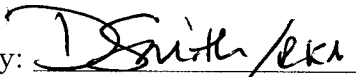
Eagle Marine Services, Ltd.

By:   
Name: David F. Smith  
Title: Attorney-in-Fact


International Transportation Service, Inc.

By:   
Name: David F. Smith  
Title: Attorney-in-Fact

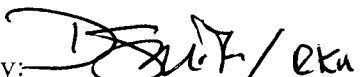
Long Beach Container Terminal Inc.

By:   
Name: David F. Smith  
Title: Attorney-in-Fact


Seaside Transportation Service LLC

By:   
Name: David F. Smith  
Title: Attorney-in-Fact

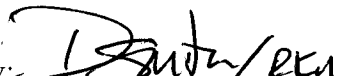
Total Terminals LLC

By:   
Name: David F. Smith  
Title: Attorney-in-Fact


West Basin Container Terminal LLC

By:   
Name: David F. Smith  
Title: Attorney-in-Fact

Pacific Maritime Services, L.L.C.

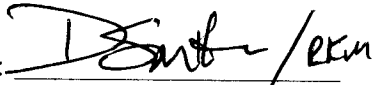
By:   
Name: David F. Smith  
Title: Attorney-in-Fact

SSA Terminal (Long Beach), LLC


By:   
Name: David F. Smith  
Title: Attorney-in-Fact

SIGNATURE PAGE (Continued)

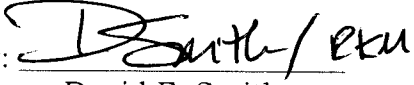
Trapac Inc.

By:   
Name: David F. Smith  
Title: Attorney-in-Fact

Yusen Terminals, Inc.

By:   
Name: David F. Smith  
Title: Attorney-in-Fact

SSA Terminals, LLC

By:   
Name: David F. Smith  
Title: Attorney-in-Fact

**APPENDIX A**

**PARTIES TO THE AGREEMENT**

OCEAN CARRIER EQUIPMENT MANAGEMENT ASSOCIATION, INC.,  
FMC No. 202-011284 ("OCEMA")

WEST COAST MTO AGREEMENT, FMC No. 201143 ("WCMTOA")

OCEMA MEMBERS IN THEIR INDIVIDUAL CAPACITY ("OCEMA Members"):

1. Maersk Line A/S  
50, Esplanaden  
DK-1098 Copenhagen, Denmark
- \*2.a. APL Co. Pte Ltd.  
9 North Buona Vista Drive  
#14-01  
The Metropolis Tower 1  
Singapore 138588
- b. American President Lines, Ltd.  
16220 N. Scottsdale Road  
Suite 300  
Scottsdale, AZ 85254-1781
3. CMA CGM S.A. ("CMA CGM")  
4, Quai D'Arenc  
P.O. Box 2409  
13215 Marseilles Cedex 02  
France
4. Cosco Container Lines Company Limited  
1551-1555, Chang Yang Road  
Shanghai, 200090  
People's Republic of China

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\*Parties shall be treated as one party for all purposes under this Agreement.

Pacific Ports Operational Improvements Agreement  
FMC Agreement No. **201227**  
Original Appendix A-2

5. Evergreen Line Joint Service Agreement FMC No. 011982  
No. 163, Sec. 1, Hsin-Nan Road  
Luchu Hsian, Taoyuan Hsien, 338, Taiwan
- \*6. a. Hamburg-Sudamerikanische  
Dampfschiffahrtsgesellschaft KG  
Willy Brandt Strasse 59  
20457 Hamburg, Germany
- b. Aliança Navegação e Logística Ltda.  
Rua Verbo Divino, 1547 Chácara Santo Antônio - 04719-002  
São Paulo - SP - Brasil
7. Hanjin Shipping Co., Ltd.  
25-11, Yoido-dong, Youngdeungpo-Ku  
Seoul, Korea
- \*8. a. Hapag-Lloyd AG  
Ballindamm 25  
20095 Hamburg, Germany
- b. Hapag-Loyd USA  
401 East Jackson Street  
Suite 3300  
Tampa, Florida 33602
- c. Companhia Libra de Navegacao  
Plaza Sotomayor 50  
P.O. Box 49-V  
Valparaiso, Chile
- d. Compania Libra de Navegacion Uruguay S.A.  
Plaza Sotomayor 50  
P.O. Box 49-V  
Valparaiso, Chile
9. Mitsui O.S.K. Lines, Ltd.  
Minato-ku  
Tokyo 105-91, Japan

Pacific Ports Operational Improvements Agreement  
FMC Agreement No. **201227**  
Original Appendix A-3

10. Nippon Yusen Kaisha Line  
3-2, Marunouchi 2-Chome,  
Chiyoda-ku  
Tokyo 100-0005, Japan
  
11. Kawasaki Kisen Kaisha, Ltd.  
Hibiya Central Building  
2-9, Nishi-Shinbashi 1-Chome  
Minato-ku, Tokyo 105-8421  
Japan

Pacific Ports Operational Improvements Agreement  
FMC Agreement No. **201227**  
Original Appendix A-4

NON-OCEMA OCEAN COMMON CARRIER PARTIES (“Non-OCEMA Carriers”):

1. None at present

WCMTOA MEMBERS IN THEIR INDIVIDUAL CAPACITY (“WCMTOA Members”)

1. APM Terminals Pacific Ltd.  
2500 Navy Way  
Terminal Island, CA 90731
2. California United Terminals, Inc.  
1200 Pier E Street  
Long Beach, CA 90822
3. Eagle Marine Services, Ltd.  
16220 N. Scottsdale Road, Suite 300  
Scottsdale, AZ 85254-1781
4. International Transportation Service, Inc.  
1281 Pier G Way  
Long Beach, CA 90802-6353
5. Long Beach Container Terminal, Inc.  
1171 Pier F Avenue  
Long Beach, CA 90802
6. Seaside Transportation Service LLC  
389 Terminal Way  
Terminal Island, CA 90731
7. Total Terminals LLC  
1999 Harrison St., Suite 550  
Oakland, CA 94612-3520
8. West Basin Container Terminal LLC  
111 West Ocean Blvd., Suite 1610  
Long Beach, CA 90802
9. Pacific Maritime Services, L.L.C.  
1131 SW Klickitat Way  
Seattle, WA 98134

Pacific Ports Operational Improvements Agreement  
FMC Agreement No. **201227**  
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10. SSA Terminal (Long Beach), LLC  
1131 SW Klickitat Way  
Seattle, WA 98134
11. Trapac INC.  
920 West Harry Bridges Boulevard  
Wilmington, CA 90744-5230
12. Yusen Terminals, INC.  
701 New Dock Street  
Terminal Island, CA 90731
13. SSA Terminals, LLC  
1131 SW Klickitat Way  
Seattle, WA 98134

NON-WCMTOA MARINE TERMINAL OPERATOR PARTIES ("Non-WCMTOA MTOs"):

1. None at present