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FEDERAL MARITIME
COMMISSION
OFFICE OF THE SECRETARY

**AGREEMENT NO. 10051 1/
MEDITERRANEAN FORCE MAJEURE AGREEMENT**

1/ Agreement No. 10051 as approved by the Federal Maritime Commission on January 7, 1983 and as amended and filed with the Federal Maritime Commission on February 25, 1983. (Deleted language is overscored; new language is underscored).

TABLE OF CONTENTS

	Page
PREAMBLE	1
Article 1. Members' Rights And Obligations	1
Article 2. General Carriage Conditions	2
Article 3. Transportation Liability	2
Article 4. Admission To Membership	4
Article 5. Exclusion Of Cargo	5
Article 6. Apportionment Of Expenses	5
Article 7. Quarterly Reports And Coordinator Obligations	5
Article 8. Effectiveness Of This Agreement And Amendments Thereto	6

PREAMBLE

The undersigned common carriers by water in the foreign commerce of the United States, in the trade between and/or via ports in the Mediterranean Sea and the U.S. Atlantic and Gulf Coast, Eastport, Maine, to ~~Key West, Florida~~ Brownsville, Texas, inclusive, in order to expedite the movement of cargoes and to serve the interests of the shipping public, hereby agree as follows:

Article 1

Members' Rights And Obligations

Where, by virtue of causes beyond their control, i.e., force majeure, strike, mechanical breakdown, war, hostilities, risk of seizure, meteorological conditions, or acts of God, any of the signatories are unable to make a regularly scheduled port or ports of call or to load all or part of the cargo they have booked at such a port or ports, they may invoke the rights and assume the obligations in this Agreement.

Article 2

General Carriage Conditions

In the event of an operative cause under Article 1, any signatory so affected (a "distressed carrier") may offer to any other signatory (an "underlying carrier") containerized cargo for transportation in the trade on such terms and conditions as may be mutually agreed and subject to the provisions of this Agreement. Provided, however, that each signatory shall afford to each other signatory the most favourable terms and conditions that it affords to any other signatory. It is expressly warranted, however, that no signatory shall invoke this Agreement to book or otherwise undertake to carry, in respect to any particular eastbound or westbound voyage, a greater number of containers, as measured in terms of twenty foot equivalent units ("TEUS"), than the full safe capacity of its distressed vessel.

Article 3

Transportation Liability

Cargo subject to this Agreement shall be self-consigned by the distressed carrier and transported by the underlying carrier on a

slotcharter contract basis. Notwithstanding the provisions of this Agreement, however, the distressed carrier shall, in respect to the shipper, employ its regular Bill of Lading and strictly adhere to its published tariffs and any applicable Conference or other Rate Agreement as may be in force. It is further understood that the distressed carrier shall be liable to the shipper, and shall receive and process claims for cargo loss and damage, in the same manner and to the same extent and degree as if the cargo had moved on its own vessel.

An underlying carrier shall be liable to indemnify a distressed carrier for reasonable payments the latter must make to cargo owners, in connection with loss or damage to property caused by the underlying carriers subject to the terms and conditions of the contract of affreightment between the underlying carrier and the distressed carrier.

The distressed carrier shall indemnify the underlying carrier for any fines, penalties, duties or other expense imposed on the underlying carriers for manifest errors, misdescriptions, shortages, overages or any other documentation errors due to incorrect information furnished by the distressed carrier or his shippers for which the underlying carrier may be held liable.

Furthermore the distressed carrier shall indemnify and hold harmless the underlying carrier for damage to property and/or deaths, injuries or illnesses resulting from misdescription of goods, improper stowage of goods within the containers, or defect in construction of the containers tendered by the distressed carrier to the underlying carrier.

The distressed carrier must take delivery of all containers said to contain perishable cargoes moving in dry or temperature controlled vans within twenty-four (24) hours after said containers have been made available for pick-up from the underlying carrier. The underlying carrier shall not be held liable for damage to the cargo if the distressed carrier fails to take delivery of the cargo within the twenty-four (24) hour time requirement as prescribed.

Article 4

Admission To Membership

Any common carrier by water providing containerized shipping services and regularly scheduled sailings in the trade may become a party to this Agreement on equal terms and conditions. The Federal Maritime Commission shall be notified of any membership change within 30 days of such change.

Article 5

Exclusion Of Cargo

Cargo required by law to be carried in whole or in part by a national flag line shall be excluded from this Agreement unless appropriate waivers are obtained.

Article 6

Apportionment Of Expenses

All expenses arising from the maintenance and administration of this Agreement shall be pro-rated among the signatories in equal shares.

Article 7

Quarterly Reports And Coordinator Obligations

On each occasion that the authority of this Agreement is invoked, the distressed carrier shall provide a report to a Coordinator to be designated by the signatories specifying the nature of the applicable operative cause under Article 1, an explanation of the circumstances which gave rise to the slot charter (including the cancelled sailing date), the date the authority was invoked, the date the cargo was loaded on the underlying vessel, the origin and destination

ports involved, the number of containers in twenty foot equivalents and the identity of the distressed carrier and the underlying carrier. The Coordinator shall have the duty and the authority to insure adherence to the terms and the conditions of this Agreement. The Coordinator shall prepare a quarterly report summarizing operations under this Agreement which shall list the information specified above and which shall be distributed to all signatories and to the Federal Maritime Commission within 30 days of the close of each calendar quarter.

Article 8

Effectiveness Of This Agreement And Amendments Thereto

This Agreement shall become effective upon approval by the Federal Maritime Commission and shall unless previously cancelled, remain in effect until December 13, 1987, provided, that the signatories may extend the duration of this Agreement for such a further period as said Commission may authorize.

This Agreement may be amended upon the unanimous agreement of its signatories and such amendment may be executed by its Coordinator or Counsel for and on behalf, and at the direction of the signatories thereto. No such amendment may be implemented until it is approved by the Federal Maritime Commission pursuant to Section 15, Shipping Act, 1916.

WHEREFORE, the undersigned, being duly authorized, has affixed his signature below.



John R. Attanasio
Counsel For Agreement No. 10051
Authority: Article 8 of Agreement
No. 10051

February 25, 1983