ARTICLE 1: FULL NAME OF THE AGREEMENT

The full name of the Agreement is the Central America 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

The parties to the Agreement (hereinafter referred to individually as a "Member" and jointly as the "Members") are listed in Appendix A hereto.

ARTICLE 4: GEOGRAPHICAL SCOPE OF THE AGREEMENT

The geographic scope of this Agreement shall extend, via direct service or transshipment, to the trade between Atlantic, Gulf and West Coast ports of the United States and inland or coastal points in the United States served via such ports, on the one hand and ports in Costa Rica, Honduras, Guatemala, Nicaragua, Panama and El Salvador and inland or coastal points in Costa Rica, El Salvador, Guatemala, Honduras, Panama or Nicaragua served via such ports, on the other hand (the "Trade").

ARTICLE 5: AGREEMENT AUTHORITY

5.01. The Members are authorized, but not required, to meet, exchange information or otherwise discuss their separate tariffs, rates, service items, rules and service contracts, in the Trade, and to reach consensus or agreement thereon but shall, despite any agreement, have no obligation under this Agreement to adhere, other than voluntarily, thereto. The authority of the Members includes, but is not limited to, consideration of and, subject to Article 5.03 2 hereof, agreement on all aspects of transportation and service in the Trade, including rates, charges, classification, practices, terms, conditions and rules and regulations applicable to transportation of cargo within the Trade and to service provided in connection therewith, notice periods for changing rates, service items, port-to-port rates, overland rates, minilandbridge 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 (including the aggregation of cargo under time/volume rates published in their respective tariffs), project rates, freight-all-kinds rates, volume incentive programs, loyalty arrangements or fidelity commission systems conforming to the anti-trust 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 freight stations, port and inland container yards and container depots, terminals and other points of cargo receipt, vanning, devanning, furnishing equipment to or leasing equipment from shippers/consignees/ inland carriers/others, collection agents at destination, 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, rules regarding the time and currency in handling of delinquent accounts and interest thereon. The Members will, to the extent required by law or as determined by them, publish and file their own separate tariff or tariffs.

5.02. The Members or any two or more of them are authorized to collect, exchange and discuss information relevant to the Trade or any portion thereof including, but not limited to, economic forecasts; past, present or expected future conditions in all or any portion of the Trade; their revenues, costs, profits and losses (including any specific revenue and/or cost items or elements); and information about rates or other terms by being offered by carriers in the Trade.

5.03. This Agreement does not authorize any common tariffs. All Members collectively, or any two or more Members separately, may jointly enter into service contracts for cargo moving in the Trade and the Agreement may adopt voluntary, non-binding guidelines relating to the terms and procedures of a Member’s or Members’ service contracts which shall be submitted to the Federal Maritime Commission confidentially. The Members 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 Member shall designate a point or points of entry for receipt of all inter-party communications in connection with the operation of this Agreement.

5.04. 5.03. The Members, or any two or more of them, may meet in person, by telephone or by any other electronic means and exchange information, discuss and reach non-binding agreement with respect to any matter authorized by Article 5 hereof.
5.04. 5.05. Any two or more Members may agree among themselves upon the terms and conditions pursuant to which any of them may charter space on the vessel(s) of another Member on an ad hoc, emergency or interim (i.e., not to exceed 90 days) basis, for the transportation of cargo in the Trade. Any on-going space charter arrangement involving two or more of the Members shall be authorized by a separate agreement filed with the FMC. The Agreement shall submit reports to the FMC on a quarterly calendar year basis reflecting all chartering arrangements effected between or among the Members pursuant hereto and specifying, for each such arrangement, (i) the names of the chartering and underlying Members; (ii) the amount of space charted expressed in twenty-foot equivalent units (TEUs); (iii) the commencement and termination dates; and (iv) ports of loading and discharge.

ARTICLE 6: OFFICIALS OF THE AGREEMENT AND DELEGATION OF AUTHORITY

(a) The Chairman of the Agreement shall serve as the Secretary and shall be responsible for taking minutes of meetings and filing any reports with the Federal Maritime Commission as may be required. The Members may appoint a Secretariat to provide administrative and housekeeping functions in connection with the operation of this Agreement, delegate such authority to persons performing those services as may be necessary for that purpose and apportion any expenses in connection with administration of the Agreement between or among them.

(b) The persons authorized to file the Agreement or any subsequent modifications thereto with and submit associated supporting materials to the Federal Maritime Commission are Sher & Blackwell, Attorneys-At-Law, or such other persons as the Members may hereafter designate in writing.

ARTICLE 7: MEMBERSHIP

(a) Any ocean common carrier or conference of such carriers (as defined in the Shipping Act of 1984) which is regularly engaged as an ocean common carrier 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, may hereafter become a party to this Agreement by signing the Agreement or a counterpart copy thereof and furnishing the same to the Executive Director and paying an admission fee of $2,000.00 (U.S.). Prompt notice of admission to membership shall be furnished to the Federal Maritime Commission and no admission shall be effective prior to the date a Member's admission is effective in accordance with the regulations of the Federal Maritime Commission.

(b) No ocean common carrier which has complied with the conditions set forth in this Article shall be denied admission or readmission to membership. 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.