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TABLE OF CONTENTS

ARTICLE	PROVISION	PAGE
ARTICLE 1 -	NAME OF AGREEMENT.	2
ARTICLE 2 -	PURPOSE OF AGREEMENT	2
ARTICLE 3 -	PARTIES TO AGREEMENT	5
ARTICLE 4 -	GEOGRAPHIC SCOPE OF AGREEMENT.	6
ARTICLE 5 -	AUTHORITY.	~~6~~ 7
ARTICLE 6 -	AGREEMENT OFFICIALS AND DELEGATIONS OF AUTHORITY	11c
ARTICLE 7 -	MEMBERSHIP AND WITHDRAWAL.	15
ARTICLE 8 -	VOTING	16
ARTICLE 9 -	DURATION AND TERMINATION	17
ARTICLE 10 -	REPORTING REQUIREMENTS	17
ARTICLE 11 -	INCOME AND EXPENSES.	19
ARTICLE 12 -	INDEPENDENT ACTION	20
ARTICLE 13 -	ARBITRATION.	20
ARTICLE 14 -	SECURITY INSTRUMENT.	22
-- -	SIGNATURE PAGES.	24
APPENDIX A -	Parties to Agreement	26
APPENDIX B -	~~Initial~~ Quarterly Calculation of Maximum Allowed Cargo Capacity	28
APPENDIX C -	Statement of Revenue Policy Objective	29
APPENDIX D -	~~Semi-Annual~~ Reporting to the FMC	31
APPENDIX E -	Rules and Procedures for Charter Activities	33

FMC Agreement No.: 011223-009 Effective Date: Friday, January 6, 1995
Downloaded from WWW.FMC.GOV on Thursday, April 27, 2017

ARTICLE 4 - GEOGRAPHIC SCOPE OF AGREEMENT

4.1 The Agreement covers the trades and various subtrades (collectively, the "Trade") from ports and points in the Far East and Indian Sub-continent to ports in the United States and to interior and coastal points in the United States via such ports. For purposes of the Agreement, "Far East" means Japan, Siberia ~~U.S.S.R.~~ Russia, Korea, People's Republic of China, Taiwan, Hong Kong, Macao, Thailand, Democratic Kampuchea (Cambodia), Vietnam, Singapore, Malaysia, Laos, ~~Burma~~ Myanmar, Brunei, Philippines and Indonesia; and, "Indian Sub-continent" means India, Pakistan, Bangladesh and Sri Lanka. "United States" means the continental United States, Alaska, Puerto Rico and the U.S. Virgin Islands.

4.2 The containership capacity management program established pursuant to subarticles 5.1 through 5.8 and other provisions of the Agreement shall apply to the portion of the Trade from ports and points in the Far East to ports in the United States and to interior and coastal points in the United States via such ports (the "Far East origin trade"), and shall not apply to the remaining portion of the Trade (the "Indian Sub-continent origin trade") unless and until an appropriate amendment of the Agreement has become effective in accordance with the regulations of the FMC.

FMC Agreement No.: 011223-009 Effective Date: Friday, January 6, 1995
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APPENDIX C

STATEMENT OF REVENUE POLICY OBJECTIVE

In order that the Parties may address effectively the severe structural and competitive problems caused by instability of rates and services in the Trade, they have ~~declared the following~~ agreed upon an overall ~~revenue~~ policy objective ~~in conjunction with entering into this Agreement:~~

~~The Parties agree upon a policy~~ that ~~general~~ rates and revenues ~~levels in the Trade~~ will be restored to reasonable levels; provided that the effectuation of ~~this policy~~ such revenue improvement in the Trade shall be in full regard for the requirements of the Shipping Act of 1984, including without limitation the mandatory right of independent action of each Party that is a member of ~~a conference or rate agreement in the Trade~~ one or more Conferences identified in subarticle 5.13(a) of the Agreement, and ~~will be~~ as consistent with the Shipping Act's ~~objective~~ purpose to sustain a healthy competitive environment for cargo transportation services in U.S. foreign commerce.

Accordingly, ~~the~~ all Parties ~~that are members of the Agreement 8600 conferences and ANERA, respectively, agree to~~ will use their best efforts, subject to the above proviso, to effect ~~revenue increases~~ increased rates, charges and surcharges, cost

FMC Agreement No.: 011223-009 Effective Date: Friday, January 6, 1995
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recovery, economies and efficiencies in the trades ~~within the scope of such agreements~~ and various subtrades covered by the Conferences and this Agreement, as steps toward ~~rate and~~ revenue ~~restoration~~ improvement in the Trade~~,~~. ~~and such~~ The Parties will ~~promptly inform the other Parties hereto of~~ communicate with each other concerning any actions proposed and taken, for the purpose of achieving coordination of the implementation dates and in the amount of revenue improvement ~~in~~, including rates, rules and practices, pursuant to tariffs and service contracts of all Parties, ~~consistent with~~ while observing any applicable confidentiality requirements under ~~such~~ the Conferences or other relevant agreements in the Trade.