

AGREEMENT ON MARITIME TRANSPORT BETWEEN THE GOVERNMENT
OF THE FEDERATIVE REPUBLIC OF BRAZIL AND THE GOVERNMENT
OF THE UNITED STATES OF AMERICA

The Government of the Federative Republic of Brazil

and

The Government of the United States of America
(hereinafter the "Parties"),

Reaffirming their interest in the free flow of maritime trade and improved competitive access to such trade for national-flag carriers of both Parties and considering the interests of third-flag carriers;

Noting the continued interest of the Parties in the liberalization of the maritime trades;

Taking into account the movement of the bilateral trade towards unrestricted intermodal transport of cargo;

Recognizing that free and fair competition is the effective way to encourage efficient shipping services at favorable costs and that such shipping conditions enhance the growth of the economies of both countries and their foreign trade;

Recognizing the desirability of limiting, in so far as possible, restrictions on the access of carriers to government-reserved cargo and to other cargoes;

Have agreed as follows:



ARTICLE 1

The Parties shall conduct their bilateral maritime relations in accordance with the following provisions relating to oceanborne liner trade:

- a) the Parties recommit themselves to the pursuit of free and open maritime trades, through administrative and legislative measures;
- b) the Parties shall afford fair and nondiscriminatory opportunity to national-flag carriers of both Parties and third-flag carriers to compete for the carriage of commercial cargo in the bilateral trade. Each Party shall further afford fair and nondiscriminatory opportunity for national-flag carriers of the other Party to compete for the carriage of commercial cargo in third-country trades;
- c) national-flag carriers of each Party shall have equal and nondiscriminatory access to the government-controlled cargo of the other Party, excepting defense cargoes and agricultural assistance cargoes, for carriage in vessels owned or chartered by those carriers. If any unintended imbalance develops in the carriage of the government-controlled cargoes, the Parties shall hold consultations expeditiously pursuant to Article 2 of this Agreement, in order to find a solution to the matter;
- d) waivers for the carriage of government-controlled cargo by vessels of third-flag carriers shall be issued expeditiously. The availability period used by each Party to determine whether waivers for the carriage of government-controlled cargo in vessels operated by non-national flag carriers may be granted shall consist of no more than three days before and seven days after the shipper's requested sailing date. Each Party's maritime agency shall respond to waiver requests within three working days of receipt;
- e) the Parties, upon request by a shipper, carrier or other interested party, shall make every effort to advise within three working days if a specific cargo is under the laws of controlled cargo and the basis for such characterization;

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- f) the Parties shall afford liberal and equivalent treatment with respect to commercial operations of each Party's carriers including the establishment of business offices, the ownership and operation of maritime facilities, the intermodal movement of cargo, and the establishment of such other facilities as may be necessary to the efficient conduct of maritime services;
- g) in order to facilitate efficient operation of maritime transport, the Parties shall not impose any restrictions on the transshipment or relay shipment of cargoes in the bilateral trade subject to cabotage laws of each Party;
- h) on a reciprocal basis, each Party shall afford vessels of the other Party the same treatment as its own vessels with respect to taxes assessed on tonnage or freight value and other taxes and levies;
- i) the tariffs of and shipping documents issued by a multimodal transport operators - MTO or ocean transportation intermediaries organized under the laws of either Party shall be recognized and given effect by the Parties in their bilateral trade;
- j) the Parties shall regularly exchange timely information on the value and tonnage, by flag and type of vessel, of their respective government-controlled cargo in the bilateral trade.

ARTICLE 2

The Parties shall meet within thirty (30) days after the request of either Party to consult on liberalization in the sector, on matters affecting the bilateral maritime trades, or on any matter involving the application or interpretation of this Agreement.

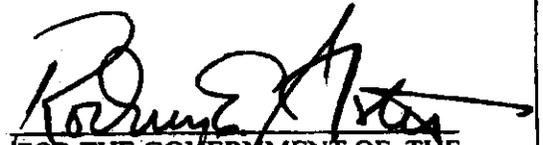
ARTICLE 3

The Agreement shall enter into force on the date of receipt of the last notification indicating that the internal procedures have been completed and shall remain in force for a period of three (3) years. Either Party can at any moment terminate the present Agreement. The termination shall be effective sixty (60) days

Done at Rio de Janeiro, Brazil, this 20th day of October, 1999, in the Portuguese and English languages, each text being equally authentic.



FOR THE GOVERNMENT OF THE
FEDERATIVE REPUBLIC OF
BRAZIL



FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA