

MEMORANDUM OF UNDERSTANDING

between the

PANAMA CANAL AUTHORITY

and the

PORT OF HOUSTON AUTHORITY

The Panama Canal Authority, an autonomous legal entity established by the Constitution of the Republic of Panama under public law and having its main offices in Balboa, Panama, Republic of Panama, represented herein through Alberto Alemán Zubieta, its Administrator, and the Port of Houston Authority, a political subdivision of the State of Texas, (hereinafter collectively referred to as the “parties”); hereby agree to the following:

WHEREAS,

The **parties** hereto believe it is in their mutual interest to establish an alliance of cooperation aimed at generating new business by promoting the all water route between Asia, Pacific Rim and the Gulf Coast via the Panama Canal and the Port of Houston Authority;

Such new business would help to increase the present level of economic growth by increasing revenues to the Port of Houston Authority and to the Panama Canal;

The **parties** are constantly undertaking a series of activities aimed at improving customer service; and,

The **parties** desire to cooperate in achieving a generation of new improved business and increasing their level of services available.

NOW, THEREFORE, the **parties** agree to:

1. Undertake joint initiatives, subject to their respective regulations, to satisfy the above stated objectives which will include

- a. Joint Marketing Activities - As convenient, the **parties** may elect to undertake joint marketing efforts to generate new shipping business. These joint marketing efforts may include, but are not limited to, joint advertising activities aimed at promoting the all water route; joint exhibitor booths at maritime events; joint press conferences; editorial placement and other public relations materials or activities of mutual interest.
 - b. Data Interchange - The **parties** may elect to share data that may be helpful in forecasting future trade flows, developing marketing strategies and obtaining additional knowledge about the shipping market. The parties may also exchange information that may include, but is not limited to transit information, type of commodities, cargo tonnage, future plans, and liner services.
 - c. Market Studies - The **parties** may elect to exchange information contained in studies performed by them or by their consultants or representatives that may be of interest to the other party. The information contained in the studies shall be treated in a confidential manner. The **parties** may also elect to perform joint studies that address their areas of respective interest.
 - d. Modernization and Improvements - The **parties** may elect to share information regarding improvements and/or modernization efforts being undertaken and which may have as a purpose the need of satisfying an increase in demand or improved customer services.
 - e. Training - The **parties** may elect to share information on training programs and may develop joint training seminars as well as cross-training activities.
 - f. Technological Interchange - The **parties** may elect to share their technological capabilities and programs as well as the information contained in them.
2. It is intended that this relationship will continue for one year, and be renewable, should both **parties** agree, on an annual basis.
 3. Either party may terminate the relationship, by informing the other, in writing, and giving a thirty (30) day notice of termination of this Memorandum of Understanding.
 4. Both **parties** are free to form other partnerships, of a similar or identical nature with other entities.

5. This Memorandum sets forth the complete agreement of the **parties** with the regard to this alliance of cooperation. It may be amended in writing only, and such amendment shall be signed and dated by both parties.
6. It is in the intention of this document to set forth the general intentions of the parties, and not to set forth any legally binding rights or obligations.

Alberto Alemán Zubieta
Administrator
Panama Canal Authority

H. Thomas Kornegay
Executive Director
Port of Houston Authority

Dated: July 11, 2003