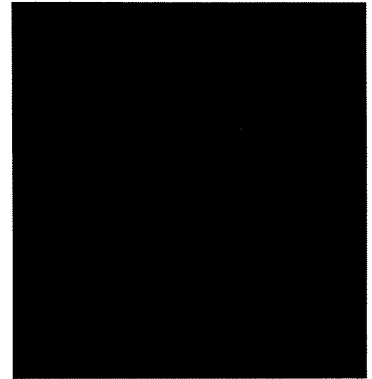


802.50



February 25, 2005

VIA EMAIL AND U.S. MAIL

Mr. Michael Verne
Premerger Notification Office
Federal Trade Commission
600 Pennsylvania Avenue N.W. Room H-303
Washington, D.C. 20580

RECEIVED
FEB 25 11 12 AM '05
FEDERAL TRADE COMMISSION
PREMERGER NOTIFICATION OFFICE

Re: Moveable Assets and Sales in or into the United States

Dear Mike:

This is to confirm the conversations that we had on February 15 and 16, and that [REDACTED] had with you on February 23, 2005, regarding the determination of moveable assets as located in the United States and of revenues as being sales in or into the United States.

Company A, a non-U.S. entity, owns several ships, which generate revenue by carrying cargo for A's customers. Company A also charters the services of ships owned by third parties, and resells those services to A's own customers. A's ships are registered outside the U.S. and have as home ports locations outside the United States, in addition to being owned by a non-U.S. entity. The ships do stop at U.S. ports.

You informed me that, as to A's ships, because they are foreign owned, foreign flagged, and based in foreign home ports, they are not assets located in the U.S. even though they stop at U.S. ports. With respect to the revenues generated by the shipping services provided by A's ships, those revenues are considered to be sales in or into the U.S. if they are paid by a U.S. located entity or if the cargo being shipped in the ships originated in the United States.

With respect to the revenues from A's charter services that it sells to its customers on ships owned by third parties, the crucial factor is the location of A's customer for those charter services. A's location as the charterer, and the origin and destination of the cargo, are not relevant in this context. Therefore, if the payer is not located in the U.S., then the revenues paid by that payer are not sales in or into the United States for A. In particular, if the payer is a non-

[REDACTED]

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U.S. entity that may have a location in the U.S. that may have handled the logistics of payment for A's charter services, and A cannot readily determine whether payments by that payer were made directly from outside the U.S. or from the U.S. location of that payer, those revenues would not be considered sales in or into the United States.

Please confirm the accuracy of this summary of our conversations, or let me know if there should be revisions in the analysis. Thank you very much.

Sincerely,

[REDACTED]

CC: [REDACTED]

AGREE - N. OVUKA CONCUR
B. [Signature]
2/29/05

[REDACTED]