

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. CONTRACT ID CODE	Page 1 of 4
2. AMENDMENT/MODIFICATION NO. 0007	3. EFFECTIVE DATE 07/28/2006	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)		
6. ISSUED BY DOT/Maritime Administration, MAR-380 400 Seventh Street, SW., Room 7310 Washington, DC 20590		CODE 00091	7. ADMINISTERED BY (If other than Item 6) DOT/Maritime Administration, CR Acquisition 500 Poydras Street, Room 1223 New Orleans, LA 70130-3394		CODE 00093
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and Zip Code) Matson Navigation Company, Inc 555 12th Street Oakland, CA 94607-4046				9A. AMENDMENT OF SOLICITATION NO.	
				9B. DATED (SEE ITEM 11)	
				(X)	10A. MODIFICATION OF CONTRACT/ORDER NO. DTMA8C05006
				(X)	10B. DATED (SEE ITEM 13) 07/25/2005
CODE *		FACILITY CODE			

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers is extended, is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

- (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

No Funding Information

**13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS.
IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.**

CHECK ONE	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
<input type="checkbox"/>	
<input type="checkbox"/>	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
<input checked="" type="checkbox"/>	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: Mutual Agreement of the Parties & Clause F.7
<input type="checkbox"/>	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor is not, is required to sign this document and return 1 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

Group 06
CAPE JACOB

a. By this modification, effective 0001 hours local time on 28 July 2006:

(1) The total number of vessels managed by Matson Navigation Company is reduced from 3 ships to 1 ship. As a result, the per diem rate for SS CAPE JACOB is recalculated pursuant to negotiations completed between Matson and MARAD to resolve the Request for Equitable Adjustment submitted May 16, 2006 in response to the cancellation of the 2 ships.

(2) CLIN 0201AD and 0301AD for SS CAPE JACOB is increased from \$1,445.49 by \$654.51 to \$2,100.00 inclusive of the current year's CPI.

(3) Matson commits to cost-saving measures and initiatives, including crew reductions, to reflect the current operational status of the vessel (point-to-point) rather than fully-manned for MCDS (underway replenishment) operations to hold down overall costs for SS CAPE JACOB during FY 2007. MARAD agrees that, notwithstanding what was in Matson's original proposal, this is a performance-based contract and MARAD cannot require any particular manning level, nor tell Matson how to accomplish the contractual statement of work.

(Continued on page 4)

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Frank Bajow	
15B. CONTRACTOR/OFFEROR (Signature of person authorized to sign)	15C. DATE SIGNED	16B. United States of America BY  (Signature of Contracting Officer)	16C. DATE SIGNED 11/01/2006

Line Item Summary	Document Number DTMA8C05006/0007	Title Equitable Adjustment	Page 2 of 4
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Line Item Number	Description	Delivery Date (Start date to End date)	Quantity	Unit of Issue	Unit Price	Total Cost
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0201AD	Phase O - operations Change in Unit Price Option year 1, Ship group 6, Ship 1 (CAPE JACOB)	(07/28/2006 to 07/27/2007)	0.00	DAY	\$654.51	\$0.00
0301AD	Phase O - operations Change in Unit Price Option Year 2, Ship group 6, Ship 1 (CAPE JACOB)	(07/28/2007 to 07/27/2008)	0.00	DAY	\$654.51	\$0.00

Previous Total: \$0.00
Modification Total: \$0.00
Grand Total: \$0.00
 (Includes Discounts)

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SECTION A -- SOLICITATION/CONTRACT FORM

A.1 SUMMARY OF CHANGES

The free form item 'Continuation of Block 14 dated 10/20/06 has been added.

A.2 CONTINUATION OF BLOCK 14 DATED 10/20/06

(4) In consideration of the sum stated above, which has been paid or is to be paid to the Contractor, or his assignees, the Contractor, upon payment of the said sum by the UNITED STATES OF AMERICA (hereinafter called the Government), does remise, release, and discharge the Government, its officers, agents, and employees, of and from all liabilities, obligations, claims and demands whatsoever under or arising from the said contract. The Contractor agrees, in connection with patent matters and with claims which are not released as set forth above, that he will comply with all provision of the said contract, including without limitation those provisions relating to notification to the Contracting Officer and relating to the defense or prosecution of litigation.

(5) Funding for the fixed priced per diem will be issued via Task Order by the MARAD Central Region Administrative Contracting Officer.