



OCEAN DUCHESS, INC.

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March 30, 2001

U.S. Maritime Administration
400 Seventh Street, SW
MAR-380, Room 3710
Washington, DC 20590

Attention: Ms. Barbara Gillum

Subject: T-1 Tankers Contract No. DTMA8C00031
SIU Agreement

Dear Ms. Gillum:

Further to our telecon this a.m., in addition to unique and specific contracts written to apply to specific ships with particular vessel Owner/Operator or Ship Managers, there also exists industry standard agreements referred to as:

- Standard Tanker Agreement
- Standard Freightship Agreement; or
- Standard Dry Cargo Agreement

The unique Company/SIU Contracts referred to in the first paragraph supercede all provisions whether monetary or working conditions when those provisions appear in the Standard Agreements.

The only time the Standard Agreements would apply is when an item is not specifically addressed in the Company/SIU Vessel Specific Agreement.

As Ocean Duchess, Inc. is Ship Manager for only tankers on behalf of the Maritime Administration, then where applicable, the 1996 Standard Tanker Agreement would apply. We note that this Agreement expires June 15, 2001 and a new Standard Tanker Agreement will be issued.