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Matson Awarded MARAD Ship Management Contracts for Three Ready Reserve Vessels

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OAKLAND, Calif.--(BUSINESS WIRE)--Aug. 3, 2005--Matson Navigation Company has been awarded ship management contracts by the Department of Transportation's Maritime Administration (MARAD) for three ships in its Ready Reserve Fleet. Two of the vessels, SSs Comet and Meteor, are ro-ro ships that are currently in reduced operating status (ROS) in Alameda, California and the third, SS Cape Jacob, is a break bulk vessel in full operating status (FOS) on duty with the U.S. Navy Military Sealift Command's Pre-Position Program. The contract for the ROS vessels is for four years, with two three-year extensions possible, and the FOS vessel contract is for one year, with potential for two one-year extensions. MARAD estimates the total contract award is valued at \$22.3 million; the award amount will cover crew, maintenance and other management expenses related to the operation of the ships. Matson will be responsible for keeping the ships in a constant state of readiness and getting the ships fully crewed with U.S.-citizen merchant mariners when an activation call goes out.

In total, MARAD's all-cargo fleet is comprised of 54 Ready Reserve Force (RRF) ships and is maintained by American owned and operated ship management firms. The new set of contracts has an estimated total value of \$1.9 billion over 10 years.

In a public announcement issued by MARAD last week, U.S. Transportation Secretary Mineta said: "We have seen first hand that the Ready Reserve Force provides a vital link to the men and women of the armed services by carrying thousands of military vehicles, aircraft and other material to support operations in Afghanistan and Iraq. This is an extremely cost effective and well-run program that keeps us prepared to rapidly respond to the military's needs."

The RRF ships are kept in a high state of readiness at fifteen ports located on the Atlantic, Pacific, and Gulf coasts of the United States. Some ships also are kept in a pre-positioned status overseas. There have been 91 activations of Ready Reserve Force Ships since December 2002. RRF ships have carried nearly 14,927,306 square feet of cargo -- about 310 football fields of material.

"For Matson, the contract awards represent an important move forward for the company in expanding its government services offerings," said Ron Forest, senior vice president, operations. "We welcome this opportunity to demonstrate our capabilities to the U.S. government in providing these ship management services."

Matson provides ocean transportation, intermodal and logistics services, primarily in U.S. domestic markets. Matson is a wholly owned subsidiary of Alexander & Baldwin, Inc. of Honolulu (Nasdaq:ALEX).

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