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SPECIAL NOTICE

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OCEAN/RAIL CARRIERS ENFORCING NEW FREE TIME RULES

As we have mentioned in other issues of TradeTalk, ocean carriers and railroads are beginning to enforce and bill importers and exporters for demurrage charges. The reduction of free time to 48 hours is being strictly enforced by the railroads and a number of carriers have systems that allow them to easily track the movement of containers and charge these costs back to the shippers. We have attached new rules which were effective from May 1 to June 1 of 2005. Please keep these new rules in mind when arranging for pick up and/or delivery of your containers to /from port/rail facilities. Also note that these charges are for the account of the cargo and in certain cases may require payment prior to release of containers.

Along similar lines, the Port of Long Beach has also tightened free-time rules reducing free time for the storage of containers and to impose a hefty fine on those who violate the amended tariff. Effective July 1, the port will reduce from five days to four the time that shippers can store import containers on the docks before a demurrage fee is imposed. Free time for export containers will be cut to six days from seven. In addition, free time will be calculated beginning at midnight on the day a container is discharged from the ship instead of after the entire vessel is unloaded. Other ports, such as New York-New Jersey, Vancouver, Wash., Los Angeles, Charleston, SC, Houston, TX, Savannah, GA and other ports have also tightened or plan to tighten free time rules in an effort to reduce congestion. Long Beach has gone a step further by requiring that marine terminals keep a log of their storage and demurrage practices and file the information with the port which will audit the data. Terminals found to flagrantly violate the port tariff will be fined twice the lost revenue, plus \$100 plus the cost incurred by the port to audit the terminal.

As space becomes a premium, it appears that carriers and ports will continuously try to reduce free time or impose fines and penalties in order to generate additional revenues to offset space taken up by idle containers. This will call for better shipper yard management and coordination of pick up and delivery of their containers.

BNSF / UPRR Free-time & Storage Rules Comparison of Terms & Conditions

May 5, 2005

Revised May 5 to update UPRR changes announced May 5

Business Event	Description	Previous Rules	BNSF Rules Effective May 2, 2005	UPRR Rules Effective June 1, 2005
Free-time	The amount of time a shipment can remain at a rail facility without incurring storage charges	Imports = no weekend availability First weekend days not counted in storage calculation Exports = weekend availability. First weekend is counted in storage calculation.	<i>March 1: Imports: weekends count in storage calculation</i> <i>March 1 – May 1: When free-time expires, storage charge is \$50 per day for the first 5 days, \$85 per day for additional days. Exception is Hobart, CA and St. Paul, MN, where charge is \$150 per day.</i> May 2: Storage charge increase and free-time changes. Please see BNSF Group number described on page 2 for May 2 ramp specific storage charges.	March 1: No change in UPRR rules. First weekend is free. UPRR has deferred implementation of new Free-time and Storage Rules from May 1 to June 1, announced May 5, 2005 June 1: Storage charges increase: Day 1- 5: \$100 Day 6-10: \$150 Day 11+: \$300 New charges apply to all ramps.
Weekend	Saturday / Sunday	The first weekend is free and not included in the free-time calculation	Weekend days are counted in free-time calculation	Saturday is counted in free-time. Sunday is excluded.
Holiday	Holidays as defined by Rail Carrier	Holidays occurring within the free-time period are excluded from the free-time calculation.	BNSF defined holidays are: New Years Day, Presidents Day, Memorial Day, Independence Day, Thanksgiving, Friday after Thanksgiving, Christmas Day	UPRR defined holidays are: New Years Day, Memorial Day, Independence Day, Thanksgiving, Christmas Day. Day after Thanksgiving and Presidents Day are counted.
Shipments moving In-bond	Inland US Customs clearance	Free-time was the day of notification plus 48 hours	See page 2.	Free-time is the day of notification plus 48 hours
Shipments Not In-bond	Shipments not moving in-bond	Free-time was the day of notification plus 48 hours	See page 2.	Free-time is the day of notification plus 48 hours
Notification	Occurs when rail carrier advises the notify party the shipment is available for pick-up. Notification is the time the container is unloaded from the rail car.	When notification is made before 5:00 pm, the day of notification is that (same) day. When notification is made after 5:00 pm, the day of notification is the following day. For notification occurring on a holiday, notification day is the next day.	No Change	When notification is made before 5:00 pm, the day of notification is that (same) day. When notification is made after 5:00 pm, the day of notification is the following day. For notification occurring on a holiday, notification day is the next day.

BNSF / UPRR Free-time & Storage Rules Comparison of Terms & Conditions *(continued)*

May 5, 2005

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Revised May 5 to update UPRR changes announced May 5

Charges (by ramp group)	Description	OOCL Code	Previous Rules	BNSF Rules Effective May 2, 2005	UPRR Rules Effective June 1, 2005
Group 1	Los Angeles, CA Oakland, CA Seattle (SIG), WA St. Paul, MN (MSP) Stockton, CA	LAS22 OAK30 SEA20 MSP22 SCK01	When free-time expires, storage charge is \$50 per day for the first 5 days, \$85 per day for additional days. Los Angeles and St. Paul (MSP) terms were modified in 2004 to be day of notification plus 24 hours, \$150 per day storage.	Free-time is day of notification plus 24 hours. Charges apply to in-bond and not in- bond shipments Charges are \$150 per day Saturday & Sunday count.	Free-time is day of notification plus 48 hours. Charges apply to in-bond and not in- bond shipments Storage Charges Day 1- 5: \$100 Day 6-10: \$150 Day 11+: \$300 Saturday counts, first Sunday free.
Group 2	Alliance, TX (Dallas) Chicago (Cicero) Kansas City, KS Kansas City, MO Memphis, TN	DAL21 CHI22 KCK20 KCK22 MEM22	When free-time expires, storage charge is \$50 per day for the first 5 days, \$85 per day for additional days.	Free-time is day of notification plus 48 hours. Charges apply to in-bond and not in- bond shipments Charges are \$150 per day Saturday & Sunday count.	Free-time is day of notification plus 48 hours. Charges apply to in-bond and not in- bond shipments Storage Charges Day 1- 5: \$100 Day 6-10: \$150 Day 11+: \$300 Saturday counts, first Sunday free.
Group 3	Birmingham, AL Chicago (Corwith) Chicago (LPC) Denver, CO Houston, TX New Orleans, LA Omaha, NE Portland, OR So. Seattle, WA St. Louise, MO	BHM20 CHI20 JOL20 DEN22 HOU20 NEW30 OMA20 PDX20 SEA21 STL22	When free-time expires, storage charge is \$50 per day for the first 5 days, \$85 per day for additional days.	Free-time is day of notification plus 48 hours. Charges apply to in-bond and not in- bond shipments Charges are \$100 per day Saturday & Sunday count.	Free-time is day of notification plus 48 hours. Charges apply to in-bond and not in- bond shipments Storage Charges Day 1- 5: \$100 Day 6-10: \$150 Day 11+: \$300 Saturday counts, first Sunday free

NSRR and CSX Free-time & Storage Rules
Comparison of Terms & Conditions
 May 1, 2005

Business Event	Description	Previous Rules	NSRR Rules Effective May 1, 2005	CSX Rules Effective May 1, 2005
Free-time	The amount of time a shipment can remain at a rail facility without incurring storage charges	First weekend days not counted in storage calculation	Storage charge increase and free-time reduction.	Storage charge increase and free-time reduction.
Weekend	Saturday / Sunday	The first weekend is free and not included in the free-time calculation	A weekend day occurring prior to the expiration of free-time is free and not included in the free-time calculation.	A weekend day occurring prior to the expiration of free-time is free and not included in the free-time calculation. Exception: CSX does not include Saturday as a free day at Columbus, OH, Nashville, TN or Cleveland, OH
Holiday	Holidays as defined by Rail Carrier	Holidays occurring within the free-time period are excluded from the free-time calculation.	NSRR defined holidays are: New Years Day, Presidents Day, Good Friday, Memorial Day, Independence Day, Thanksgiving, Friday after Thanksgiving, Christmas Eve, Christmas Day, New Years Eve	CSX defined holidays are: New Years Day, Presidents Day, Memorial Day, Independence Day, Thanksgiving, Friday after Thanksgiving, Christmas Day
Shipments moving In-bond	Inland US Customs clearance	Free-time was the day of notification plus 48 hours	Free-time is the day of notification plus 48 hours	Free-time is the day of notification plus 48 hours
Shipments Not In-bond	Shipments not moving in-bond	Free-time was the day of notification plus 72 hours	Free-time is the day of notification plus 48 hours	Free-time is the day of notification plus 48 hours
Notification	Occurs when rail carrier advises the notify party the shipment is available for pick-up. Notification is the time the container is unloaded from the rail car.		When notification is made before 12:00 noon, the day of notification is that (same) day. When notification is made after 12:00 noon, the day of notification is the following day. For notification occurring on a weekend day or holiday, notification day is 0800 next day.	When notification is made before 5:00 pm, the day of notification is that (same) day. When notification is made after 5:00 pm, the day of notification is the following day. For notification occurring on a holiday, notification day is the next day.
Storage Charges When Free-time Expires			Storage charges: Days 1 – 10: \$75 per day Days 11+: \$100 per day	Storage charges: Days 1 – 15: \$75 per day Days 16+: \$100 per day

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