

WATCO INDUSTRIAL TERMINALS

TARIFF NO. 001

Rates Rules and Regulations Governing Industrial Terminals

Watco Dock and Rail III LLC
14035 Industrial Road
Houston, Tx 77015
Phone number 713-450-7770
Email to: gpidocktraffic@watcocompanies.com

TABLE OF CONTENTS

Section One: RULES AND REGULATIONS		Page
1	Definitions and Abbreviations	3
2	Application and Interpretation of Tariff	6
3	Billing & Collection	6
4	Legal Responsibilities	9
5	Restrictions on use of Facilities	11
6	Arrangements for Berth	13
7	Display of Lights	14
8	Reporting of Collisions	14
9	Fire Alarm	15
10	Cargo Statements Required	15
11	Dockage Rates on Vessel Engaged in all Trades	15
12	Charge for Water	16
13	Shed and/or Wharf Use Hire	17
14	Charge for Cleaning of Berth	17
15	Receipts for Cargo	17
16	Segregation of Cargo	18
17	Special Service	18
18	Terminal Charge for Vehicles	19
19	Free Time & Wharf Demurrage Charges	19
20	Transit Fee	22
21	Port Security Fee	22
22	Vessel Escort Charge (TWIC compliance)	23
 Section Two: WHARFAGE CHARGES		
23	Wharfage Charges All Commodities Not Otherwise Specified	24
24	Aircraft and Aircraft Parts	24
25	Containers	24
26	Iron or Steel Articles	24
27	Dry Bulk	25
28	Paper, Kraft, and/or Wrapping, Pulpboard or Fiberboard	25
29	Paper, Printing or Newsprint	25
30	Scrap Metal	25
31	Vehicles, Machinery (Self-Propelled), Automobiles, Trucks, Trailers, Utility Vehicles, Military Ordinance Vehicles, Agricultural Machinery (tractors, combines, etc)	25
32	Wind Power Equipment	25

Section One

SUBJECT: RULES AND REGULATIONS

SUBRULE 1: DEFINITIONS AND ABBREVIATIONS

A. The following terms are defined as follows wherever used in this tariff.

- (1) *Agent or Vessel Agent*: The party or entity which submits the application for berth.
- (2) *Berth*: The water area at the edge of a wharf, including mooring facilities, used by a vessel while docked.
- (3) *Breakbulk Cargo*: Commodities which are not transported in containers or trailers, and which are commonly packaged in bags, cartons, drums, crates, etc, and palletized while awaiting transfer or storage.
- (4) *Container*: A standard (I.S.O.) seagoing container 20 feet in length or over.
- (5) *Day*: A consecutive 24-hour period or fraction thereof.
- (6) *Dockage*: A charge assessed against a vessel for berthing at a wharf, pier, bulkhead structure, or bank or for mooring to a vessel so berthed.
- (7) *Free Time*: The specified period during which cargo may occupy space assigned to it on terminal property free of wharf demurrage or terminal storage charges immediately prior to the loading or subsequent to the discharge of such cargo on or off the vessel.
- (8) *Holidays*: As applied within this tariff, the term "holidays" may include the following named days.

New Year's Day	Emancipation Day
Martin Luther King Jr.'s Birthday	Independence Day
Presidents' Day (3rd Monday-Feb.)	Labor Day
Texas Independence Day	Veterans' Day
Good Friday	Thanksgiving Day
Memorial Day	Christmas Day

Holidays falling on Sunday will normally be observed the following Monday.

- (9) *Lash/Seabee Transit Barges*: Barges engaged in foreign, coastwise or intercoastal trade that are designated for carriage aboard a mother ship and do not receive or discharge cargo within Houston Ship Channel.
- (10) *Liner Service*: Vessels making regularly scheduled calls for the receipt and delivery of cargo at Industrial Terminal.
- (11) *Industrial Terminals*: The physical facilities operated by Watco Dock and Rail III, LLC, located on the Houston Ship Channel at 14035 Industrial Road, Houston, Texas 77015.

- (12) *Marginal Tracks*: Railroad tracks on the wharf apron within reach of ship's tackle.
- (13) *Navigation District or Port Authority*: Reference herein to the "District" or "Navigation District" or "Harris County-Houston Ship Channel Navigation District" or "Port Authority" means the Port of Houston Authority.
- (14) *Overtime*: Work performed on Saturdays, Sundays or holidays, as defined, or after 4:30 PM, or before 7:30 AM, Monday through Fridays, or during meal periods shown below:

6:30 AM to 7:30 AM
11:30 AM to 12:30 PM

- (15) *Pallet*: The term "pallet" when applicable in this tariff in connection with unit loads, means expendable pallets constructed in such a manner to permit normal handling with forklift trucks and without damage to the cargo.
- (16) *Point of Rest*: The area of the terminal facility which is assigned for the receipt of inbound cargo from the ship and from which inbound cargo may be delivered to the consignee and that area of the terminal facility which is assigned for the receipt of outbound cargo from shipper for loading of vessel.
- (17) *Shed and/or Wharf Use Hire*: A charge assessed against a vessel for loading or discharging cargo, and utilizing wharf shed or sheds and/or wharf for the assembly or distribution of 100 tons or more of such cargo.
- (18) *Shipside*: The location of cargo within reach of ship's tackle or in berth space, in accordance with the customs and practices of this port.
- (19) *Straight Time*: Wage scale applicable to work performance during the hours:

7:30 AM to 11:30 AM
12:30 PM to 4:30 PM
Except: Saturdays, Sundays and holidays, as defined.

- (20) *Terminal Storage*: The service of providing warehouse or other terminal facilities for the storage of inbound or outbound cargo after the expiration of free time, including wharf storage, shipside storage, closed or covered storage, opened or ground storage, bonded storage, and refrigerated storage, after storage arrangements have been made.
- (21) *Transshipped Cargo*: Cargo landed from a vessel and reloaded on a vessel without being removed from the wharves.
- (22) *Ton*: A unit of weight of 2,000 pounds.

(23) *Traffic:*

- (a) *Intracoastal Traffic:* All traffic between interior points served by canals and rivers. (Including intra-Port).
 - (b) *Coastwise Traffic:* All traffic between Atlantic and Gulf ports of the United States.
 - (c) *Intercoastal Traffic:* All traffic between Atlantic or Gulf ports of the United States and the west coast of the United States.
 - (d) *Import Traffic:* Traffic moving from ports not within the continent United States to the continental United States.
 - (e) *Export Traffic:* All traffic moving from the United States to ports not within the continental United States.
- (24) *User:* A user of the facilities owned by Watco Dock and Rail III, LLC (“Watco”) shall include any vessel or person using any Watco properties, facilities or equipment, or to whom or from whom any service, work, or labor is furnished, performed, done or made available by Watco, or any person owning or having custody of cargo moving over such facilities.
- (25) *Vessel:* Includes within its meaning every description of water craft or other artificial contrivance whether self-propelled or non-self-propelled, used, or capable of being used, as a means of transportation on water, and shall include in its meaning the owner thereof.
- (26) *Wharf:* Any wharf, pier, quay, landing, or other stationary structure to which a vessel may make fast or which may be utilized in the transit or handling of cargo alongside of which vessel may lie or which are suitable for and are used in the loading, unloading, assembling, distribution, or handling of cargo.
- (28) *Wharfage:* A charge assessed against the cargo or vessel on all cargo passing or conveyed over, onto, or under wharves or between vessels (to or from barge, lighter, or water) when berthed at wharf or when moored in slip adjacent to wharf. Wharfage is solely the charge for use of wharf and does not include charges for any other service.
- (29) *Wharf Demurrage:* A charge assessed against cargo remaining in or on terminal facilities after the expiration of free time unless prior arrangements have been made for storage.

B. The following abbreviations are used in this tariff:

¢	Cents
\$	Dollar
%	Percent
(A)	Addition
(C)	Change in wording which results in neither increase nor reduction
(I)	Increase
(N)	New Item
(R)	Reduction
Cu. Ft.	Cubic Feet
Cwt	Hundred Pound Weight
FMC	Federal Maritime Commission
FTZ	Foreign Trade Zone
GRT	Gross Registered Ton
ISO	International Standardization Organization
Lbs.	Pounds
LOA	Length-over-all
MFB	Thousand Board Feet
MT	Metric Ton
NOS	Not Otherwise Specified
O/T	Other Than

SUBRULE 2: APPLICATION AND INTERPRETATION OF TARIFF

Rates, rules and regulations contained in this tariff shall apply equally to all Users of Watco's facilities and shall apply on the effective date shown on this tariff or amendments thereto.

The use of Watco's facilities constitutes a consent to the terms and conditions of this tariff, and evidences an agreement on the part of all vessels, their owners and agents, and the Users of such facilities to pay all charges specified and be governed by all rules and regulations herein contained.

Watco reserves the right at any time or times and without notice to deny the use of its facilities to any User who or which is delinquent in payment of its accounts for more than thirty (30) days; such denial may be continued until such accounts are fully paid up and in current status.

SUBRULE 3: BILLING AND COLLECTION

A. Liability of Charges

- (1) Responsibility of Payment: All bills are due upon presentation and, unless other arrangements with Watco and their designated freight handlers are made, are payable, in

cash, by the User or person designated in Part (3) of this item, at a time or times provided in this Part (3) herein unless otherwise provided in this tariff. Watco will not permit movement of cargo from or across or through its facilities, or may withhold permission to occupy or use such facilities, appurtenances and equipment; until all tariff rates and charges have been paid except that Watco and their designated freight handlers may voluntarily extend credit arrangement to govern settlement of aforesaid rates and charges. Vessel or authorized agent will not permit the movement of cargo direct to or from ship's tackle and land and water carrier until the permission of Watco as specified in this paragraph has been obtained.

Errors, if any, will be rectified by adjustment or amendment based on information received subsequent to the issuance of the original bill.

User or person desiring or proposing the use of Watco or their designated freight handlers property, facility or equipment may be required to deposit, in advance, an amount sufficient to satisfy anticipated cost or expenses thereof; or in the

In absence of other specific arrangements a User thereby warrants to Watco or their designated freight handlers that he is liable and responsible for payment of charges provided in this tariff and will pay the same as herein provided. If such User desires to relieve himself of such obligations, he shall (a) deposit in cash with Watco the amount of charges estimated by Watco to be due, and (b) in writing state the correct name and address of the owner or party warranted to be responsible for the charges.

- (2) Extension of Credit: Watco at its option and subject to termination at its election, may at any time or from time to time extend credit to any User or other person conducting business with Watco pursuant to provisions to this tariff or amendments or reissues thereof, by such User or other person establishing and maintaining financial responsibility acceptable to Watco or by posting and maintaining single transaction or period or annual surety bond with corporate surety acceptable to Watco, and in amount equal to one hundred twenty five percent (125%) of maximum liability on such single transaction or of estimated period or annual maximum liability. The form and content of such bond shall be acceptable to Watco. Further extension of credit may be suspended or terminated by Watco subject to establishment of added or extended credit acceptable to Watco. Extension and continuation of credit shall be conditioned upon payment of invoiced charges within thirty (30) days. Any invoice remaining unpaid 30 days past invoice date may be subject to an interest charge of 10% per annum, simple interest, for each day over 30 days until the invoice is paid.

(3) Invoice Procedures and Liability:

- (a) All vessels, their owners or agents, will be liable for and billed for Dockage, Shed Hire and/or Wharf Use Charge, and for provision of water and related utilities and services accorded the vessel, including Wharf Cleaning.

- (a.1) Terminal Charges, and Wharfage Charges, set forth in Section Two are liabilities of the owner of the cargo; however, the collection and payment of same to the billing entity, be it Watco or the designated freight handler must be guaranteed by the vessel, her owners and agents, and the use of Watco's facilities by the vessel,

her owners and agents, shall be deemed an acceptance and acknowledgment of this guarantee.

- (a.2) As compensation to said vessel, her owners and agents, for such collection and payment of Terminal and Wharfage charges, as specified in Section Two the billing entity, Watco or the designated freight handler, shall allow a credit of four percent (4%) of the total terminal and wharfage charges incurred and billed to the vessel, her owners and agents. Subject to the terms set out in (a.3).
- (a.3) The credit of four percent (4%) set out in (a.2) will only be allowed in instances where the collection and payment of said terminal and wharfage charges is by the vessel, her owners and agents and such charges are for the account of a third party. When, pursuant to written contracts, terminal, wharfage or through-put charges are billed to and paid by parties other than the vessel, her owners and agents, such fee will not be allowed. If cargo which has accrued wharfage charges is not actually loaded aboard a vessel at Industrial Terminals such fee will not be allowed.
- (a.2) Wharfage charges on cargo shall be assessed on the basis of manifest weights, unless otherwise provided herein.

B. Collection of Charges

- (1) Charges for services provided in Section Two and in other provisions of this tariff will be payable in advance unless prior arrangement for the extension of credit to the party responsible for such charges have been made with the party assigned the responsibility of providing loading and unloading service. Where such credit is extended, all bills rendered by the party assigned the responsibility of performing the services are due and payable upon presentation and not more than 30 days following the performance of such service.
- (2) An interest charge of 10% per annum may be assessed against unpaid invoices over 30 days for each day over 30 days until the invoice is paid. Written notice of any invoice in dispute must be

furnished to Watco's Billing Department within twenty days from date of invoice or else interest charges will apply.

- (3) Inbound Cargo-Wharf Demurrage Charges will be assessed to the owner of the cargo or his authorized agent, to whom invoice will be sent.
- (4) Outbound Cargo- Wharf Demurrage Charges will be assessed to the cargo owner or authorized agent, except on cargo cut back or held on the wharves for convenience of vessel's owner or agent, the charges will be assessed to the vessel or its owners or agent. In the case of cargo on which wharf demurrage has accrued, the wharf demurrage charges will be assessed to the loading vessel

or its owners or agents unless a release has been secured from Watco prior to the loading of the cargo. In the case of cargo remaining on wharves or premises after sailing of vessel, the owner or agent of such vessel shall immediately provide Watco an itemized list of such cargo not lifted by vessel. Wharf demurrage charges will continue to apply until cargo is removed from the premises.

- (5) Transshipped Cargo-Wharf Demurrage Charges will be assessed to the outbound vessel, its agent or owners to which cargo is assigned, to whom invoice will be sent.
- (6) In no case will Watco invoice, or otherwise assume responsibility for collection of charges assessed by a transportation agency or steamship company.
- (7) Except as above provided, the User shall be liable for charges as provided in Section Two and other provisions of the tariff and invoice will be sent to such User.
- (8) Steamship lines terminating a service to Watco must make arrangements to satisfy all accrued charges for that line's account, including estimated charges for last vessel call, prior to arrival of the last vessel.

SUBRULE 4: **LEGAL RESPONSIBILITIES**

A Responsibility for Loss of and Damage to Cargo:

- (1) Except for damage or injury caused by negligence of Watco, Watco shall not be responsible for injury to or loss of any freight being loaded or unloaded at the public wharves nor for any delay to same; nor for injury to or loss of freight on its wharves or in its sheds by fire, leakage, or discharge of water from fire protection sprinkler system; collapse of building, shed platforms, wharves; subsidence of floors or foundations; breakage of pipes; nor for loss or injury caused by rats, mice, moths, weevils or other animals or insects, frost, or the elements; nor shall it be liable for any delay, loss or damage arising from combinations of strikes, tumult, insurrection, or acts of God; nor from any of the consequences of any of these contingencies.
- (2) Persons and vessels responsible for damage to the property of Watco shall be liable for the expense of replacement or repair of the property destroyed or damaged.

-
- (3) All liability for all loss or damage due to switching will be specifically for the account of the railroad or truck carriers.
 - (4) Watco will not be responsible for loss or damage arising from defects in rail cars or their equipment.
 - (5) Watco is not responsible for damage to cargo where such damage is caused or contributed to by parties who have care, custody and control of the cargo under other provisions of this Tariff.

- (6) This Tariff shall be construed, governed, interpreted, enforced and litigated, and the relations between any parties determined in accordance with the General Maritime Law of the United States, in the absence of which Texas state law shall apply, without regard to choice or conflict of law principles.

The exclusive jurisdiction and venue for the resolution of any claim or dispute relating to this Tariff shall be in the United States District Court for the Southern District of Texas, Houston Division. If that court lacks subject matter jurisdiction, then exclusive jurisdiction shall rest with the Harris County District Courts of the State of Texas.

Except for damage or injury caused by negligence of Watco, users of its facilities agree to indemnify and save harmless Watco from and against all losses, claims, demands, and suits for damages, including death and personal injury, and including court costs and attorneys' fees, incident to or resulting from their operation on the property of Watco.

- (7) Under no circumstances shall Industrial Terminals L.P. be responsible for consequential damages. UNDER NO CIRCUMSTANCES SHALL WATCO BE RESPONSIBLE FOR CONSEQUENTIAL DAMAGES.
- (8) No provisions contained in this tariff shall limit or relieve Watco from liability for its own negligence, nor require any person(s), vessels, or lessees to indemnify or hold harmless Industrial Terminals L.P. Watco from liability for its own negligence.

- B. Handling, Loading and Unloading: The party designated the responsibility for freight handling (loading and unloading) and related services of Watco's general cargo facilities is Gulf Stream Marine, Inc. or Watco's designated affiliate.

By prior specific agreement, other freight handlers may be designated as requested by the User, but no other freight handler may perform freight handling services at Watco without the prior specific agreement of Watco

It shall be the obligation of the freight handlers assigned the responsibility for any services to perform or have performed all loading and unloading services required as set forth in this tariff, and subject to the rules and regulations as published in this tariff.

References in this tariff to freight handlers or freight handling refer to the loading and unloading of cargo to and from inland conveyances and the movement of cargo on Watco's premises, except where the cargo is being moved by stevedores loading or unloading a vessel. Stevedores loading and unloading a vessel are not considered freight handlers within the meaning of this tariff.

- C. Care, Custody and Control of Cargo: The rates published in this tariff do not provide for, and Watco does not accept, care, custody and control of any cargo or other property while on its premises. Care, custody and control of any cargo or other property while on the premises of Watco.

Watco is vested in the shipper, the freight handler or the steamship company, depending on the circumstances as set forth in this tariff.

D. Fines and Penalties: Should Watco be subjected to a fine or fines, a penalty or penalties by the United States Coast Guard or any other federal authority, or any state or local authority as a result of the conduct of any vessel, its owners or agents, stevedore, freight handler or any other User of its facilities, whether by act or omission, the amount of such fine or fines, penalty or penalties, shall be invoiced to such User who will be required to reimburse Watco such amount within 30 days. And may include other charges for reasonable attorney's or consultants fees.

SUBRULE 5: **RESTRICTIONS ON USE OF FACILITIES**

A. Handling of Hazardous Commodities: Red Label (Flammable Gas, Class 2, Flammable Liquid, Class 3), Poison Gas Label (Class 6), Yellow Label (Organic Peroxide, Class 5), and Spontaneously Combustible materials shall not be placed in a Transit Shed. Such labeled commodities may be delivered to open wharves only after ship is in Port and then "in limited quantity". (For purposes of this Section "Red Label" is defined as a commodity having a Flash Point of 99 degrees Fahrenheit (37.2 degrees Celsius) or below. Poison Label (Class 6), materials may be placed in a Transit Shed but extreme caution should be exercised. Red/White striped (Flammable Solid Class 4), Yellow (Oxidizer, Class 5) and Black/White (Corrosive Label Class 8) may be stored in a Transit Shed. Explosives IMCO Class 1.1, 1.2 and fireworks, regardless of Class will not be handled at Watco whether loading, discharging or in transit. Explosives IMCO Class 1.3 of 50 lbs. net or less explosive content, shall be handled as "last on, truck-to-ship" or "first off, ship-to-truck" with prompt removal from premises. No vessel having more than 50 lbs. of Class 1.3 explosives will dock at Watco. Explosives IMCO Class 1.4, 1.5 (not to include fireworks) will be handled "truck-to-ship" or "ship-to-truck" as above. Explosives will not be left overnight at Watco

Any Vessel having onboard over 10 tons of Class 1.4 or 1.5 Explosives must be cleared through the local Captain of the Port, at least twenty-four (24) hours prior to its arrival. All proposed movement of explosives will be coordinated with that office. Requirements covering the transportation of Hazardous Materials covered in 49 CFR Parts 171-180 must be complied with on any cargo entering Watco property. All cargo entering the jurisdiction of the Port Authority must comply with the requirements of 49 CFR 171-180 and the International Maritime Dangerous Goods (IMDG) Code relating to the transportation of Hazardous Materials. Cargo arriving at Marine Terminals within the jurisdiction of the Port Authority without all documentation required by this tariff and by applicable law will not be received into the terminal or offloaded from the vessel on which it arrives.

Bulk Ammonium Nitrate in open hopper or cargo holds is strictly prohibited; however, it may be shipped and handled in breakbulk packaging if it meets the requirements of 49 CFR 173.212. The shipping of radioactive material (Class 7) is limited to Low Specific Activity (LSA) N.O.S., and must meet shipping and handling requirements of the IMDG Code and 49 CFR Parts 171-180.

- B. Painting or Erecting of Signs: Painting or erecting signs on Watco's property or structures is prohibited without prior approval of the Terminal Manager who shall also approve copy, design, material and method of erection
- C. Compliance with Environmental Regulations; Smoking Prohibited: All Users shall comply with all applicable environmental laws, rules, or regulations that may be promulgated by Federal, State, or Local regulatory agencies, bodies and by Watco.

Smoking in warehouses, transit sheds, on the wharves, or on vessels is strictly prohibited. Fines may be imposed by the Coast Guard and Fire Marshall per their official jurisdiction.

- D. Responsibility for Cleaning of Property by User: Users of Watco's property will be required to maintain same in an orderly manner as prescribed by the Terminal Manager or his designated assistant.

If User does not properly clean property used, the Terminal Manager shall order the work performed and User will be billed at cost plus twenty percent.

NOTE: Does not apply to cleaning of berths, as provided in Subrule 15 except as to excessive or unusual cleaning thereof.

- E. Responsibility for Property Damage: When damage is caused to any property or any of the facilities of Watco, the Users causing such damage (including, without limitation, said Users, agents, servants, representatives, and employees as defined in Subrule 1 hereof) shall be held jointly and severally responsible for the cost of repairs, and they shall be billed thereto, and all shall be jointly and severally responsible for payment thereof. One or more invoices may be rendered to Users as costs are incurred, and said costs may include invoices from third parties as well as direct costs (including, without

limitation, labor) of Watco. All invoices shall include an override of 20% for Watco's overhead. All invoices shall be paid within 30 days. When the damage is caused by a Vessel, Watco shall be able to detain the Vessel until it has received a satisfactory guarantee for either the amount of the damage or for a reasonable estimate hereof.

- F. Responsibility for Fire Equipment: Watco requires the Users of the facility to be responsible for all fire equipment, such as hoses, nozzles, extinguishers, etc., and all such equipment found to be missing or destroyed upon inspection will be replaced by the Watco at cost plus twenty percent and billed against the User.
- G. Abandoning. Dumping. Discharging. etc. of Waste Matter: All vessels, their owners or agents, and other Users of Watco's facilities shall comply with all federal, state or local regulations with regard to the placing or discharging into the Houston Ship Channel or Sims Bayou either directly or through sewers, any sanitary sewage, butcher's offal, garbage, dead animals, gaseous liquid or solid

matter, oil, gasoline, residuum of gas, calcium carbide, trade waste, tar or refuse or any other matter covered by such laws or regulations of any of such authorities

Vessels discharging oil from bilges or tanks into the aforementioned waters will be reported to the United States Attorney for prosecution under appropriate federal laws. Throwing rubbish, dunnage or any other matter into the aforesaid waters is strictly prohibited. Should any vessel, its owners or agents, stevedore, freight handler or other User of the facilities abandon any drums, boxes or other containers of cargo upon Watco's property and not remove same there from within 48 hours after

notification by the Terminal Manager or designate of the location of such items, same will be removed by Watco, its employees or contractors, and the cost of such removal plus twenty percent shall be billed to the vessel, its owners or agents, stevedore or freight handler or other User of the facilities which shall be deemed by its failure to remove same to have agreed to the payment for same.

- H. Removal of Articles Dropped into Channel: The dropping of cargo, scrap or any other articles in the ship channel or Sims Bayou is prohibited by law. Responsible parties shall be liable for the removal of any articles dropped in channel or bayou and Watco reserves the right to remove such articles on a basis of cost plus twenty percent at the expense of the responsible party.
- I. Lightering and Bunkering: To insure safe and unimpeded vessel movements on the Houston Ship Channel, lightering and bunkering operations are restricted at Watco's Berths. When such operations are conducted at the aforesaid wharves and berths, the person arranging for lightering and/or bunkering is responsible for notifying the U.S. Coast Guard and must arrange to have a tugboat standing by to provide for movement of the barge/lighter within two hours after notification.
- J. Advance Notice of Arrival of Vessels: The Vessel or Vessel Agent of any domestic or foreign vessel which is inbound into Watco having on board cargo as described in 33 CFR 160.215 shall notify Watco at least 24 hours in advance of arrival. Upon arrival it shall be the responsibility of the Vessel or Vessel Agent to remove any damaged cylinder, pressure vessel or container from the vessel and from the confines of the waterfront facility within twenty-four hours.

SUBRULE 6: **ARRANGEMENTS FOR BERTH**

All steamships, or their owners or agents, desiring a berth at Industrial Terminal shall so far in advance of the date of docking as possible, make application for berth including acceptance of financial responsibility, specifying the date of docking, sailing, and the nature and quantity of cargo to be handled; application for berth to be made to the Terminal Manager or designate.

As a part of its application for berth, the vessel, its owners or agents, shall advise Watco of the protection and indemnity association (P&I Club) which affords the vessel indemnity coverage as well as the name and telephone number of the local legal representative thereof knowledgeable with regard to such coverage.

Any damage caused by the vessel to the wharf or any installation or equipment which is the property of Watco, whether it be through incompetence or carelessness on the part of the pilot or officer of the ship carrying out operations or for any other reason, shall be the responsibility of the master and of the owners of the ship causing the damage. Watco shall be able to detain the ship until it has received a satisfactory guarantee for the amount of the damage caused or a reasonable estimate thereof.

To achieve a quick turnaround of ships and barges and to prevent congestion, maximum utilization of Watco's facility is required.

Watco may order a Vessel to vacate a berth, to change berths, or to shift position at a wharf when; (1) the Vessel refuses to work overtime at its own expense when directed to do so by the General Manager or his designee; (2) the Vessel is not actually engaged or is no longer engaged in loading or discharging cargo; (3) another Vessel holding an agreement granting the preferential use of that berth at that time presents itself for the berth; (4) the Vessel's presence presents a potential hazard to the berth, Watco's facilities, or the property or persons of others; (5) the Vessel is performing shipyard maintenance or repair or the Vessel's maneuverability is impaired; or (6) there exists any other cause that in the reasonable discretion of Watco requires the berth to be vacated.

Watco may, in its discretion, refuse the use of any facility of Industrial Terminals to the Vessel until all additional dockage charges, fees, expenses and liabilities have been paid by the Vessel. An order to vacate shall be given on reasonable notice but not less than four hours' time shall be allotted for the Vessel to vacate the berth. Any Vessel failing to vacate its berth within the time ordered shall be subject to payment of additional dockage charges at the rate of \$5,000.00 per hour or fraction thereof. If legal action is required to remove any Vessel which fails to vacate a berth when so ordered by Watco, the Vessel shall be liable for, and shall pay, all legal expenses, including reasonable attorney's fees.

SUBRULE 7: DISPLAY OF LIGHTS

All vessels, including barges, shall display lights from sunset to sunrise while lying at any berth at Industrial Terminals. Vessels must conform to navigation rules applying when anchored in the channel, and barges to display white lights visible all around the horizon, located at least eight feet above the water line on their outside or channel comers.

SUBRULE 8: REPORTING OF COLLISIONS

In the event of a collision between two vessels at or near Industrial Terminals or between a vessel and any Industrial Terminals wharf, dock, or pier, written reports of such collision shall, within twenty-four hours, be furnished the Terminal Manager by the pilot and by the master, owner or agent of said vessel. In the case of a minor collision or collision where a vessel is under way and proceeding to the open sea,

there being no need for repair, said report may be mailed by the master of said vessel from the next port which it passes, and provided further that, in all cases of collision, report of an owner or agent shall not relieve the pilot of the duty of rendering his report within the specified time.

SUBRULE 9: FIRE ALARM

In the event of fire occurring on board any vessel berthed at Industrial Terminal, such vessel shall sound five prolonged blasts of the whistle or siren as an alarm indicating fire on board or at the dock to which the vessel is moored. Such signal shall be repeated at intervals to attract attention, and is not a substitute for, but may be used in addition to, other means of reporting a fire. The words, "prolonged blasts" used in this rule shall mean a blast of from four to six seconds.

SUBRULE 10: CARGO STATEMENTS REQUIRED

- A. All vessels, their owners and agents, using Industrial Terminals shall present certified copies of manifest or documentation deemed acceptable by the Terminal Manager including all changes and supplements thereto, of cargo loaded or unloaded on forms and in the manner prescribed by the Terminal Manager.

Certified copies of manifests on inward cargo shall be presented not later than 10 working days after arrival of vessel at wharf. Certified copies of manifests on outward cargo shall be presented not later than 10 working days after sailing.

Vessels, their owners and agents who submit certified copies of manifests and statements of cargo later than thirty (30) calendar days will lose all credit privileges extended under Subrule 3(A)(2).

- B. Vessels, their owners, agents and masters, and all other Users of the facilities, shall be required to permit access by Watco to manifests of cargo, railroad documents and all other documents for the purpose of audit for ascertaining the correctness of reports files; or securing necessary data to permit correct estimate of charges.

SUBRULE 11: DOCKAGE RATES ON VESSEL ENGAGED IN ALL TRADES

- A. Dockage shall be charged on the overall length of the vessel as shown in the current issue of Lloyd's Register of Shipping. If length is not shown in Lloyd's Register, the Ship's Certificate of Register showing length will be accepted. However, Watco reserves, without question, the right to measure any vessel when deemed by it to be necessary and to use such measurements as the basis of the charge. When necessary to measure a vessel, the linear distance in feet shall be determined from the most forward point on the bow of the vessel to the after most part of the stern of the vessel, measured as parallel to the base line of the vessel.

- B. Dockage on all vessels, except as provided elsewhere in this Tariff, will be determined by multiplying the Length Overall (LOA) in feet, by the rate in dollars per foot, to establish the dockage charge per 24 hour day.

<u>LOA</u>	<u>RATE</u>
000-199	\$2.65
200-399	\$3.49
400-499	\$4.74
500-599	\$6.37
600-699	\$7.40
700-799	\$9.41
800-899	\$11.32
900-OVER	\$13.56

- C. After the first period of twenty-four hours, any period of berth occupancy of twelve hours or less will be billed at one-half of that day's rate.

- D. Dockage assessment, for vessels actively engaged in loading or discharging cargo, for the third twenty-four hour period will be at ninety percent, fourth twenty-four hour period will be at seventy-five percent, fifth twenty-four hour period at sixty percent, sixth and succeeding twenty-four hour periods of uninterrupted berth occupancy at fifty percent of applicable rates set out above.
- E. Vessels that request permission to remain at Industrial Terminals berth that is not actively loading or discharging cargo will be assessed dockage at the full dockage rate. Industrial Terminals may at its sole discretion request the vessel to vacate the berth with 4 hours' notice. Failure to do so will subject the vessel to additional dockage charges as set in subrule 6.
- F. To reduce night transits on the Houston Ship Channel, and enhance safety, vessels will be allowed to dock without charge from 1800 hours to 0600 hours. However, if vessel operations begin before 0600 hours, then normal dockage charges will apply starting at the docking time. If no vessel cargo operations begin before 0600 hours, then dockage charges begin at 0600 hours.

SUBRULE 12: CHARGE FOR WATER

Water will be supplied to vessels through hoses provided by the vessel for the following charges:

- A. One time service charge for establishing connection between 8:00 a.m. and 5:00 p.m. Monday through Friday except holidays \$131.00
- B. One time service charge for establishing connection at all other times \$299.00
- C. Plus charge per 1,000 gallons delivered \$ 7.25

SUBRULE 13: SHED AND/OR WHARF USE HIRE

- A. Application: Vessels loading or discharging cargo, and utilizing wharf shed or sheds and/or wharf for the assembly or distribution of 100 tons or more of such cargo, will be assessed a shed and/or wharf use hire charge.
- B. Charge: The shed and/or wharf use hire charge shall be a onetime charge equivalent to the first day's dockage set out in Subrule 12.
- C. Measurements: Shed and/or wharf use hire shall be charged on the overall length of the vessel as shown in Lloyd's Register of Shipping. However, Watco reserves, without question, the right to measure any vessel when deemed by it to be necessary, and to use such measurements as the basis of the charge.

SUBRULE 14: CHARGE FOR CLEANING OF BERTH

- A. Charge

(1) A charge of \$387 will be assessed each vessel loading and/or discharging 501 tons or more of cargo on, to or across wharves for the cleaning of berth assignments, including space utilized in transit sheds, on open wharves and in transfer of cargo across, from or to wharf apron.

(2) A charge of \$283 will be assessed each vessel loading and/or discharging 500 tons or less of cargo on, to or across wharves for the cleaning of berth assignments, including space utilized in transit sheds, on open wharves and in transfer of cargo across, from or to wharf apron.

B. Excessive or Unusual Cleaning. When cleaning required to restore vessel assignment to normal condition exceeds that cleaning which would usually attend to the cargo loaded or discharged, an excessive cleaning charge may be assessed.

C. Charges will be billed by the Freight Handler

SUBRULE 15: **RECEIPTS FOR CARGO**

A. Receipts for Cargo from Steamship Companies. Steamship companies shall receipt daily for cargo placed in ship's berth by Watco's designated freight handlers in their capacity as unloader of railroad cars, motor vehicles, or other conveyances delivering cargo to Industrial Terminals. Such cargo shall be considered in the steamship companies' care, custody and control, and steamship companies shall be responsible for such cargo from time of placement in vessel's berth by the designated freight handlers.

Cargo placed in a vessel's berth between 7:30 A.M. and 4:30 P.M. shall be receipted for promptly on the day it is unloaded, and prior to 6:00 P.M. Cargo placed in a vessel's berth after 4:30 P.M. and prior to 7:30 A.M. shall be receipted for not later than the following 9:00 A.M.

B. Receipt and Delivery of Trucks: Trucks delivering freight to Industrial Terminals must have instruction as to which vessel and freight handler is involved before entering the transit facility. Trucks carrying freight from shipside facilities must leave copy of Steamship Company or cargo handlers' receipt, properly signed, setting forth the commodity, number of packages and weight of the load at the gate of exit from Industrial Terminal.

C. Receipt and Delivery of Railroad Cars: **FOR GENERAL INSTRUCTIONS AND RULES CONTACT THE DESIGNATED FREIGHT HANDLER.**

SUBRULE 16: **SEGREGATION OF CARGO**

A. Cargo Discharged from Vessels:

(1) Vessels discharging cargo at Industrial Terminals must tender such cargo in separate lots as identified by applicable ocean bills of lading and marks.

(2) The party assigned responsibility for Loading and Unloading shall have the right of refusal to handle cargo not properly segregated by vessel, but may, upon its election and at specific

request of vessel, its authorized agent or owner, perform segregation. Contact Watco or the appropriate licensed freight handler for rates and additional instructions.

(3) Further segregation performed to comply with loading and/or delivery instructions will be performed at expense of party requiring the same. Contact Watco or the appropriate licensed freight handler for rates and additional instructions.

(4) Split deliveries of partial lot cargoes will be performed by the party assigned responsibility for Loading and Unloading. Such charge will be borne by party requesting the service. Contact Watco or the appropriate licensed freight handler for rates and additional instructions.

B. Cargo Received for Vessels: **FOR GENERAL INSTRUCTIONS AND RULES CONTACT THE DESIGNATED FREIGHT HANDLER.**

SUBRULE 17: SPECIAL SERVICE

A. REFRIGERATED CONTAINERS

Electrical power supplied to refrigerated containers will be charged \$27.56 per unit per day. Container monitoring and plug in services will be charged \$22.50 per day.

B. Any labor or material required for special services not covered in this tariff shall be provided at actual cost plus twenty percent, or flat rate prices will be quoted by the Party providing services upon application.

SUBRULE 18: TERMINAL CHARGE FOR VEHICLES

A. A charge of \$3.83 each applies to automobiles, trucks and utility vehicles, in addition to wharfage and such other charges as may accrue under the terms of this tariff. This charge will be assessed by the freight handler.

B. This charge will not be applied to a shipment of one individually and privately owned vehicle only.

C. The minimum charge for one or more vehicles will be \$35

SUBRULE 19: FREE TIME AND WHARF DEMURRAGE CHARGES

A. Computation:

(1) Saturdays, Sundays and holidays will not be excluded in computation of free time and wharf demurrage charges.

(2) Any fractional part of twenty-four (24) hours will be counted as one day.

(3) Any fractional part of one ton (2,000 lbs.) will be computed as one ton.

- (4) On Inbound cargo, free time commences following day after vessel completes discharge. Wharf demurrage charges apply after expiration of free time period, terminating day next preceding removal of cargo from wharves or premises.
 - (5) On outbound cargo, free time commences after cargo is unloaded and placed on wharves or premises in an assigned berth. Wharf demurrage charges apply after expiration of free time period, terminating the day next preceding commencement of loading of vessel to which cargo is assigned and subsequently loaded. Cargo remaining on wharves or premises after sailing of vessel to which assigned will be subject to computation of free time and wharf demurrage charges from initial placement on such wharves or premises, and wharf demurrage charges together with all other related charges accrued against such remaining cargo shall be charged to the cargo until the day next preceding its removal from wharves or premises.
- B. Transshipped Cargo: When cargo landed from vessel is reloaded on a vessel without being removed from the wharves, the free time commences on the day the vessel completes discharge. Wharf demurrage charges apply after expiration of free time period, terminating day next preceding commencement of loading to vessel to which cargo is assigned and subsequently loaded.
- C. Assessment of Charges:
- (1) Wharf demurrage charges will be calculated for period property remains at Industrial Terminals.
 - (2) On cargo remaining in the terminal in excess of 30 days, charges will be invoiced by individual bill of lading lots and will be billed at end of calendar month, or more frequently, if deemed desirable.
 - (3) A Minimum invoice charge of \$35 shall apply.
- D. Free Time:
- (1) Inbound Cargo: 30 days after cargo is discharged from vessel.
Wind power equipment - 15 days free time.
 - (2) Cargo unstuffed from containers which is not transported via vessel to the terminal – and break-bulk cargo not assigned to a vessel- 10 days free time.
 - (3) Outbound Cargo: 30 days after the cargo is unloaded at the terminal. Cargo stuffed into containers which are not transported via vessel from the terminal -and breakbulk cargo not assigned to a vessel - 15 days free time. Wind power equipment - 15 days free time.
 - (4) Transshipped Cargo: 30 days commencing the day the vessel completes discharge.
 - (5) Containers – 15 free days
- E. Charges: Cargo remaining on premises, with the exception of wind power equipment, after expiration of free time will be assessed wharf demurrage at graduated per day rates of (cents per ton):
- (1) \$0.30 for initial demurrage day and for each succeeding day within a seven-day period.

- (2) \$0.39 for 8th demurrage day and for each day through 20th demurrage day.
- (3) \$0.63 for 21st demurrage day and for each day thereafter until cargo is removed.

- (6) Wind power equipment will be charged on a weight or measure basis whichever is greater. Weight basis will be at \$.59 per short ton after 15 free days. The measure basis will be \$.05 per cubic meter per day.

- (7) Loaded Import and Export Containers – After expiration of free time any container that is 20' in length will be charged \$3.50 per day. Any container that is 40' in length or greater will be charged \$7.00 per day.

- (6) Empty Shipper Owned Containers – After expiration of free time, any empty Shipper Owned Container that is 20' in length will be charged \$3.50 per day. Any Shipper Owned Container that is 40' in length or greater will be charged \$7.00 per day.

- (7) Hazardous and Harmful Cargoes – All hazardous cargoes, general and containerized, and any other cargoes classified as harmful as described in their Material Safety Data Sheet, will be assessed one and a half of the regular applicable wharf demurrage rate.

- (8) Fire or Water Damaged Cargo – Wharf demurrage rates, rules and regulations set forth in the Tariff will apply, except that after expiration of the first seven-day period:
 - a. The daily rate per ton of general for all subsequent days shall be double the daily rate per ton for each day of that first seven day period.
 - b. The daily rate per day for containers for all subsequent days shall be double the daily rate per day for each day of that first seven day period.

F. Exceptions:

- (1) Option of Movement to Storage: Upon expiration of free time, Watco at its option, may move, or cause to be moved, cargo from its transit facilities to licensed public storage. Transfer charges to storage will be assessed at the applicable rate.

- (2) Rules and Charges During Water Front Strike or Work Stoppage of Water Front Labor: When due to a general water front strike or work stoppage of water front labor engaged in handling will be allowed additional free time equal to but not in excess of the duration of such interference. Cargo which has exceeded the free time period and is accruing demurrage at the time such interference begins will be assessed demurrage charges at the rate shown in Subrule 21 [E and F (I)] during such interference.

- (3) Wharfage Charge Application –LASH/Seabee Barges: Cargo loaded in LASH/Seabee barges will be subject to wharfage charges as if transferred between vessel and wharf.

- (4) Loading of cargo designated by U.S. Customs as General Order will be charged for as " All Commodities Not Otherwise Specified" and will be at rate set forth elsewhere in this tariff.

- (5) Wharfage Earned: Cargo shall be considered to have earned wharfage when placed upon the wharf and wharfage will be collected whether or not eventually loaded on a vessel.
- (6) Wharfage Charge Applicable to Transshipped Cargo: Cargo discharged from vessels to a wharf for transshipment by vessel, if reloaded within fifteen days, and has not changed ownership and if it has not been removed from the wharf, will be billed wharfage following reloading for outward shipment.

The day on which cargo is placed on the wharf shall be counted as the first day.
The day on which cargo is lifted shall not be counted.

- (7) Wharfage Charge Applicable to Transshipped Cargo Handled on Offshore Side of Vessel: Cargo transferred directly to or from offshore side of vessel while such vessel is moored at Industrial

Terminal will be assessed wharfage at the charge applicable had such cargo been placed upon and passed between wharf and vessel as noted above.

- (8) Explanation of Terms:

(a) Combination Articles: When not specifically named in Subrule 21-28, articles which have been combined or attached to each other will be charged at rating for the articles bearing the highest rate in the combination.

(b) Parts or Pieces Constituting Complete Article: Parts or pieces constituting a complete article, receiving as one shipment, will be charged a rate for complete article.

(c) Drums or barrels, Definition of: Drums or barrels are defined as straight-sided cylindrical containers of not less than 5 gallons capacity, with ends (heads) of equal diameter and with or without bailor handle.

SUBRULE 20: **TRANSIT FEE**

Cargo that does not cross Industrial Terminal docks nor is received at the Terminal thus not subject to Industrial Terminal wharfage, that transits or transfers across Watco's property shall be assessed a transit fee of \$2.50 per cubic meter. Cargo Interest seeking authorization to move cargo across Industrial Terminals property shall provide written request for such transit, identifying the nature of the cargo and scope of the transit activity. Industrial Terminals reserves the right to approve or reject such request.

SUBRULE 21: **PORT SECURITY FEE**

In order to fulfill its responsibilities for security, including but not limited to responsibilities mandated, under the Maritime Transportation security act of 2002 and the US Coast Guard regulation 33CFR 105, Watco will assess against and collect from all Users of port premises, services, or facilities, a Port Security Fee as set forth herein. Such fee, in the amounts set forth below, shall be in addition to all other fees and charges due under this and other governing tariffs:

Vessels (including, without limitation, barges):

- Eight and Seventy Five Percent (8.75%) of total dockage assessed per port call

Cargo:

- Break-bulk \$.19 per ton
- Bulk Cargo (dry or liquid) \$.0425 per ton
- Containers \$3.63 per loaded container
- Vehicles \$1.04 per unit

Watco shall have all of the rights and remedies provided in this tariff and other governing tariffs for failure to pay amounts due Watco and may (1) require from said User a deposit estimated to cover such fees in advance of using port premises, services or facilities, and/or (2) deny service to said User until said deposit is made and/or all prior amounts due are paid.

SUBRULE 22: VESSEL ESCORT CHARGE (TWIC compliance)

In accordance with the Transportation Worker's Identification Credential (TWIC) regulations, no access to and from vessels can be allowed for persons not holding a TWIC card unless they are escorted by a TWIC card holder who has completed escort training by the Industrial Terminals security office.

Therefore, beginning April 14, 2009, Watco will assess vessel owners a charge of \$500.00 per vessel call to provide their crew with a dedicated escort service from 8am to 8 pm (actual shift may change as we learn more of the need). Additional escort service from 8pm to 8am will be provided by use of our roving security officer as his duties allow.

This service is intended to assure an adequate means of escorted access to/from vessels with the implementation of the TWIC regulations on April 14, 2009.

Section Two

SUBJECT: WHARFAGE CHARGES

All wharfage charges are in cents per ton of 2,000 lbs. applied to all shipments at actual weight, except as otherwise noted. A minimum invoice charge of \$10.00 per bill of lading shall apply.

Commodity

Wharfage

SUBRULE 23: WHARFAGE CHARGES

NOT TO EXCEED THE FOLLOWING CHARGES:

ALL COMMODITIES NOT OTHERWISE SPECIFIED: 342

SUBRULE 24: **AIRCRAFT AND AIRCRAFT PARTS** 666

SUBRULE 25: **CONTAINERS**

Container of maximum dimensions 40 feet in length, 8 feet 6 inches per ton in width and 8 feet 6 inches in height, gross weight 6001 pounds but not exceeding 70,000 pounds (See Note 1): (See Exceptions) 342

Containers loaded direct to or from ship with ship's tackle or with crane equipment: 342

EXCEPTION 1: Container must be constructed in a manner that will permit handling from either side by forklift and/or crane equipment.

EXCEPTION 2: Not applicable on shipments of household goods moving in packing vans or packing cases.

EXCEPTION 3: Loaded containers will be charged loading or unloading and wharfage at the rates specified, based on the weight of the products only, providing gross and tare weights are shown on the documents requesting the handling.

EXCEPTION 4: Empty containers will be charged loading or unloading and wharfage at the rates specified, based on the actual weight of such container.

SUBRULE 26: **IRON OR STEEL ARTICLES**

Shipments
Less Than
1500 MT Shipments
Exceeding
1500 MT

Chain Iron in Coils, Ingots, Nails in boxes or kegs, Pig Iron, Railway Equipment, Wire in Coils, Staples: 342 225

Steel: Pipe, Beams, Structural and Plate: 342 225

Scrap metal, iron or steel in bulk direct from railcars Or trucks to / from vessel. 342 225

Steel Sheets: In Coils, Banded or Secured or Packaged Non Skidded or Skidded 342 225

Except Barge Shipments or Steel Sheets in Coils of Domestic Origin: 342 225

Wire Rods: in Coils 342 225

SUBRULE 27: **DRY BULK** 163

**SUBRULE 28: PAPER, KRAFT, and/or WRAPPING, PULPBOARD
or FIBERBOARD**

In rolls	342
Not otherwise specified	342
Bleachboard, Coated or Uncoated, in rolls:	342

SUBRULE 29: PAPER, PRINTING, OR NEWSPRINT

In rolls, average weight per roll not less than 1,500 lbs. Minimum shipment per vessel 2,000 lbs.	342
--	-----

SUBRULE 30: SCRAP METAL

Iron or Steel in bulk direct from railcars or trucks to vessel	342
--	-----

**SUBRULE 31: VEHICLES, MACHINERY (SELF -PROPELLED),
AUTOMOBILES, TRUCKS, TRAILERS,
UTILITY VEHICLES, MILITARY ORDINANCE VEHICLES,
AGRICULTURAL MACHINERY (tractors, combines, etc.)**

Driven On/Off Land Carrier Equipment	666
Lift On or Lift Off Carrier Equipment	666
Agricultural Machinery	342
Used grading or road making machinery being returned to United States	342

SUBRULE 32: WIND POWER EQUIPMENT

\$3.09 per 2,000 lbs. or
\$1.69 per cm – whichever
is greater