

Rule 100 - A FREE TIME AND DEMURAGE AT DISCHARGING PORTS

Free Time and Demurrage allowed at Discharging Ports

1. At Pacific Coast Ports

All containers including temperature-controlled and/or bulk tank containers held with cargo at Carrier's port CY, undelivered during the Free Time Period, Saturdays, Sundays and holidays excluded (unless commonly worked by the respective port), after the carrying vessel has completed discharge, or after the individual container has been discharged (for Los Angeles, CA/Long Beach, CA), or after delivery to Carrier's CY at a port which the vessel does not call, will be subject to Demurrage Charges as provided in this Rule, thereafter, Saturdays, Sundays, and Holidays included. Free Time will commence at 8:00 a.m. on the first (1<sup>st</sup>) business day after completion of discharge of the vessel/the individual container, or at 8:00 p.m. on the first (1<sup>st</sup>) business day after delivery to Carrier's CY at a port which vessel does not call, and shall expire on midnight of the final day of Free Time, Saturdays, Sundays and holidays excluded (unless commonly worked by the respective port).

Carrier or its Agent will bill CY Demurrage in accordance with the provisions this Rule only when no port terminal tariff applies. If port terminal tariff is applicable, Carrier or its Agent will bill CY Demurrage in accordance with the port terminal tariff.

A. Free Time:

Dry Vans

Los Angeles, CA/Long Beach, CA	Four (4) working days
Oakland, CA/Tacoma, WA	Five (5) working days

Reefer/Tanks:

Los Angeles, CA/Long Beach, CA	Two (2) working days
Oakland, CA/Tacoma, WA	Two (2) working days

B. Demurrage Charges:

Los Angeles, CA/Long Beach, CA  
Oakland, CA/Tacoma, WA

Size	1 <sup>st</sup> 5 days	6 <sup>th</sup> day on
Dry (All Types)	US\$100	US\$150
Reefer and Tanks	US\$200	US\$275

1. For the purpose of this Rule, a temperature-controlled container is one with the refrigeration unit operating to maintain specific temperature of the cargo to protect the cargo loaded therein (reefer). When a container designated for temperature-control is used at Carrier's option to transport cargo and the

refrigeration unit is not operating, it will be considered as a dry van for purposes of Free Time and Demurrage calculation.

2. Carrier may extend the allowable Free Time on any merchandise if terminal operations or movement of merchandise are interrupted by war, earthquake, fire, riot, or any unusual occurrence which in the judgment of the Carrier warrants the extension of such Free Time
  3. Carrier shall not be responsible for delays in delivering containers when such delays result from cargo being detained in Customs or Quarantine. Any Demurrage Charges that are accrued resulting from delays in Customs and/or Quarantine are to be billed for account of the cargo.
  4. During a longshoremen strike which would have prevented ocean Carrier from discharging at the U.S. port shown on the Bill of Lading, the provisions of this Rule shall not apply, and the Free Time and Demurrage shall be in accordance with the local terminal Tariffs as applicable.
- C. At the discretion of the Carrier, and subject to U.S. Customs regulations, cargo in containers may be discharged to public storage, transfer and incidental expense for the removal of such cargo from the container shall be for the account of cargo. At Carrier's option, Carrier may elect to remove Carrier's equipment from Terminals or Rail Ramps to Off-Terminal/Ramp storage facilities. The rate charged for Storage at such Off-Terminal/Ramp facilities will be the rate of the respective Rail Ramp, the Storage Facility or the applicable steamship line tariff rate, whichever is higher. All costs associated with the removal, including the drayage, will be for account of cargo. All charges must be satisfied prior to the pick up or delivery of any such equipment.

## 2. At Atlantic Coast Ports (Via All Water or MLB)

All containers held with cargo at Carrier's discharge port CY after the carrying vessel has completed discharge, whether the shipment therein occupies a full container or not, will be subject to the following Free Time and Demurrage:

Carrier or its Agent will bill CY Demurrage in accordance with the provisions this Rule only when no port terminal tariff applies. If port terminal tariff is applicable, Carrier or its Agent will bill CY Demurrage in accordance with the port terminal tariff.

Destination terminal when discharging port is actual Bill of Lading destination:

Free Time will commence at 8:00 a.m. on the first business day after completion of discharge of the vessel and shall expire on the fifth (5<sup>th</sup>) business day, excluding Saturdays, Sundays, and holidays (unless commonly worked by the Terminal).

Destination terminal when discharging port is not the Bill of Lading destination:

Free Time will commence at 8:00 a.m. on the first business day after completion of discharge of the vessel and shall expire on the fifth (5<sup>th</sup>) business day, excluding Saturdays, Sundays, and holidays (unless commonly worked by the Terminal).

A. Free Time:

Dry Vans (All other than Reefer, includes Tanks):

Baltimore, MD; Norfolk, VA; Wilmington, NC;  
Charleston, SC; Savannah, GA; Jacksonville, FL

Five (5) working days

Reefer:

Baltimore, MD; Norfolk, VA; Wilmington, NC;  
Charleston, SC; Savannah, GA; Jacksonville, FL

Two (2) working days

Multiple Container Rule for Dry containers only (Norfolk, VA and Baltimore, MD only):

No. of cntrs	Free Time for each Container allowed USA Port/Terminal in business days
1 - 4	5
5	6
6 - 10	7
11 - 15	8
16 - 18	9
18 - 20	10
21 - 23	11
24 - 26	12
27 - 29	13
30 - 32	14
33 or more	15

Note: Applicable for Baltimore, MD:

Applicable only on Dry containers provided all such containers are from various Shippers to one (1) Consignee, from various ports of loading to one (1) port of discharge on one (1) vessel.

Note: Applicable for Norfolk, VA:

Applicable only on Dry containers provided all such containers are on one (1) bill of lading from one (1) Shipper to one (1) Consignee, one (1) port of loading to one (1) port of discharge on one (1) vessel.

B. Demurrage Charges:

1. Baltimore, MD; Norfolk, VA; Wilmington, NC; Charleston, SC; Savannah, GA; Jacksonville, FL

Size	1 <sup>st</sup> 5 days	6 <sup>th</sup> day on
Dry Vans	US\$100	US\$150
Reefer	US\$200	US\$275

2. Free Time and Demurrage for the following Ports are in accordance with the Port Terminal Tariffs:

New York, NY; Boston, MA; Philadelphia, PA; Port Everglades, FL, and Miami, FL

3. For the purpose of this Rule, a temperature-controlled container is one with the refrigeration unit operating to maintain specific temperature of the cargo to protect the cargo loaded therein (reefer). When a container designated for temperature-control is used at Carrier's option to transport cargo and the refrigeration unit is not operating, it will be considered as a dry van for purposes of Free Time and Demurrage calculation.
4. Carrier may extend the allowable Free Time on any merchandise if terminal operations or movement of merchandise are interrupted by war, earthquake, fire, riot, or any unusual occurrence which in the judgment of the Carrier warrants the extension of such Free Time
5. Carrier shall not be responsible for delays in delivering containers when such delays result from cargo being detained in Customs or Quarantine. Any Demurrage Charges that are accrued resulting from delays in Customs and/or Quarantine are to be billed for account of the cargo.
6. During a longshoremen strike which would have prevented ocean Carrier from discharging at the U.S. port shown on the Bill of Lading, the provisions of this Rule shall not apply, and the Free Time and Demurrage shall be in accordance with the local terminal Tariffs as applicable.

B. At the discretion of the Carrier, and subject to U.S. Customs regulations, cargo in containers may be discharged to public storage, transfer and incidental expense for the removal of such cargo from the container shall be for the account of cargo. At Carrier's option, Carrier may elect to remove Carrier's equipment from Terminals or Rail Ramps to Off-Terminal/Ramp storage facilities. The rate charged for Storage at such Off-Terminal/Ramp facilities will be the rate of the respective Rail Ramp, the Storage Facility or the applicable steamship line tariff rate, whichever is higher. All costs associated with the removal, including the drayage, will be for account of cargo. All charges must be satisfied prior to the pick up or delivery of any such equipment.

3. At Interior Destination Points:

All freight containers held with cargo at a Destination CY, whether the shipment therein occupies a full container or not, shall be subject to the following Free Time and Demurrage.

Should a local Rail, Motor, or Terminal Tariff be applicable at the destination points, the Free Time Period and Demurrage/Storage rates will be in accordance with the local Rail, Motor, or Terminal Tariffs.

A. Free Time and Demurrage at Destination Container Yard (CY):

1. Free Time (Dry Vans):

Free Time will commence at 8:00 a.m. on the first (1<sup>st</sup>) business day after the Consignee or his Agent is notified that the full ocean Bill of Lading quantity is available for Customs inspection, whether in one or more containers, and shall expire at midnight of the fifth (5<sup>th</sup>) day, Saturdays, Sundays, and holidays excluded (unless commonly worked by the Destination Container Yard). When Customs Clearance has already taken place at the interchange port, Free Time will commence at 8:00 a.m. on the first (1<sup>st</sup>) business day after the Consignee or his Agent is notified that the full ocean Bill of Lading quantity is available for delivery, whether in one or more containers, and shall expire at midnight on the third (3<sup>rd</sup>) day, Saturdays, Sundays, and holidays excluded (unless commonly worked by the Destination Container Yard). Containers not accepted by the Consignee or his Agent within the relevant Free Time period will be charged Demurrage at the applicable rate.

Five (5) working days

2. Free Time (Reefer):

All cargo in temperature-controlled container must be accepted by Consignee or his Agent within two (2) days after the Consignee or his Agent is notified that the shipment is available for Customs inspection, or if already Customs Cleared at the interchange port, is available for delivery, Saturdays, Sundays, and holidays excluded (unless commonly worked by the Destination Container Yard). Containers not accepted by the Consignee or his Agent within the relevant Free Time period will be charged Demurrage at the applicable rate.

Two (2) working days

3. Demurrage Charges:

The applicable Demurrage Charges shall be assessed for the day on which the container is removed from the Destination CY, regardless of the pick up time. The Carrier shall not be responsible for any delays in delivery of containers when such delays are beyond the Carrier's control, and any Demurrage Charges that accrue are for the account of cargo.

Size	1 <sup>st</sup> 5 days	6 <sup>th</sup> day on
20'/40'	US\$100	US\$150
Reefer	US\$200	US\$275

- a. For the purpose of this Rule, a temperature-controlled container is one with the refrigeration unit operating to maintain specific temperature of the cargo to protect the cargo loaded therein (reefer). When a container designated for temperature-control is used at Carrier's option to transport cargo and the refrigeration unit is not operating, it will be considered as a dry van for purposes of Free Time and Demurrage calculation.
- b. Carrier may extend the allowable Free Time on any merchandise if terminal operations or movement of merchandise are interrupted by war, earthquake, fire, riot, or any unusual occurrence which in the judgment of the Carrier warrants the extension of such Free Time
- c. Carrier shall not be responsible for delays in delivering containers when such delays result from cargo being detained in Customs or Quarantine. Any Demurrage Charges that are accrued resulting from delays in Customs and/or Quarantine are to be billed for account of the cargo.
- d. At the discretion of the Carrier, and subject to U.S. Customs regulations, cargo in containers may be discharged to public storage, transfer and incidental expense for the removal of such cargo from the container shall be for the account of cargo. At Carrier's option, Carrier may elect to remove Carrier's equipment from Terminals or Rail Ramps to Off-Terminal/Ramp storage facilities. The rate charged for Storage at such Off-Terminal/Ramp facilities will be the rate of the respective Rail Ramp, the Storage Facility or the applicable steamship line tariff rate, whichever is higher. All costs associated with the removal, including the drayage, will be for account of cargo. All charges must be satisfied prior to the pick up or delivery of any such equipment.

**B. Free Time and Demurrage at Destination Rail Yard (RY):**

1. All dry freight containers held with cargo at a Destination RY, whether the shipment therein occupies a full container or not, and whether the Carrier has provided chassis for the containers or not, will otherwise be in accordance with local Rail or Motor Terminal Tariffs as applicable at the destination points.
2. At the discretion of the Carrier, and subject to U.S. Customs regulations, cargo in containers may be discharged to public storage, transfer and incidental expense for the removal of such cargo from the container shall be for the account of cargo. At Carrier's option, Carrier may elect to remove Carrier's equipment from Terminals or Rail Ramps to Off-Terminal/Ramp storage facilities. The rate charged for Storage at such Off-Terminal/Ramp facilities will be the rate of the respective Rail Ramp, the Storage Facility or the applicable steamship line tariff rate, whichever is higher. All costs associated with the removal, including the drayage, will be for account of cargo. All charges must be satisfied prior to the pick up or delivery of any such equipment.

**C. Free Time and Demurrage at Destination Motor Yard (MY):**

1. All dry freight containers held with cargo at a Destination MY, whether the shipment therein occupies a full container or not, and whether the Carrier has provided chassis for the containers or not, will otherwise be in accordance with local Rail or Motor Terminal Tariffs as applicable at the destination points.
2. At the discretion of the Carrier, and subject to U.S. Customs regulations, cargo in containers may be discharged to public storage, transfer and incidental expense for the removal of such cargo from the container shall be for the account of cargo. At Carrier's option, Carrier may elect to remove Carrier's equipment from Terminals or Rail Ramps to Off-Terminal/Ramp storage facilities. The rate charged for Storage at such Off-Terminal/Ramp facilities will be the rate of the respective Rail Ramp, the Storage Facility or the applicable steamship line tariff rate, whichever is higher. All costs associated with the removal, including the drayage, will be for account of cargo. All charges must be satisfied prior to the pick up or delivery of any such equipment.

4. Per Diem, Detention, and Demurrage in the State of California:

California Senate Bill #45, Chapter 28.5 22928 et. seq. to Division 8 of the Business and Professional Code relating to transportation.

The terms and conditions of California Senate Bill #45 are expressly incorporated herein as they apply to Motor Carriers entering and leaving Carrier's Terminals, Inland Terminals, and Rail Ramps in California. Motor Carrier should notify Carrier in writing or electronically of the occurrence of any events listed in the aforesaid Bill within two (2) business days of their occurrence in order for Carrier to timely investigate the circumstances. Upon receipt of such information, Carrier shall investigate the circumstances and, upon confirmation of same, shall take the necessary measures so that the Motor Carrier shall not be invoiced for any Detention or Demurrage Charges excepted by Senate Bill #45 (Chapter 28.5 22928 et. seq. to Division 8 of the Business and Professional Code relating to transportation).

5. At Puerto Rico:

All containers held with cargo at Carrier's discharging port CY after the carrying vessel has completed discharge, whether or not the shipment occupies a full container, will be subject to the following Free Time and Demurrage:

A. Free Time:

Dry Vans:

Free Time will commence at 8:00 a.m. on the first (1<sup>st</sup>) business day after completion of the discharge of the vessel and shall expire at 5:00 p.m. on the fifth (5<sup>th</sup>) day, exclusive of Saturdays, Sundays, and holidays.

Refrigerated (Reefer) Vans:

Free Time will commence at 8:00 a.m. on the first (1<sup>st</sup>) business day after completion of the discharge of the vessel and shall expire at 5:00 p.m. on the second (2<sup>nd</sup>) day, exclusive of Saturdays, Sundays, and holidays.

B. Demurrage:

Demurrage per container per day or fraction thereof will be:

US\$25 per container, for ordinary stowage of dry cargo.

US\$50 per container, for refrigerated (reefer) containers.

However, after Free Time expires, the Carrier may at its discretion, discharge container to public storage and transfer and incidental expenses to the removal of such cargo from the container shall be for the account of cargo.

6. Assessment of Demurrage in Port Tie-Ups:

Application of this Rule covering Free Time and Demurrage on container cargo is subject to notification by Carrier of the existence of a Port Tie-Up as described herein.

Where the Consignee is prevented from removing the containers with the cargo from the CY by factors beyond his control, such as, but not limited to, longshoreman's strikes, trucking strikes or weather conditions which affect the entire port area or a substantial portion thereof,; or where the Consignee is prevented from removing the containers by a longshoreman's strike which affects only one pier or less than a substantial portion of the port area; then , in either event, Free Time and Demurrage will be calculated and Demurrage assessed as follows:

A. Containers on Free Time at Commencement of Port Tie-Up:

1. Free Time will be extended for a period equal to the duration of the Port Tie-Up.
2. In the case of a longshoremen's strike which exceeds five (5) days in duration, this extended Free Time will be further extended by an additional period of five (5) days, exclusive of Saturdays, Sundays, and legal holidays provided the container is actually removed by the Consignee within the additional five (5) days period or provided under appointment system referred in paragraph C. below. Otherwise, the additional extension is nullified and Demurrage will commence upon termination of the Free Time as calculated in paragraph 1 above.

B. Containers in the First Demurrage Period at Commencement of Port Tie-Up:

1. Demurrage will continue to be assessed but the First (1<sup>st</sup>) Demurrage Period will be extended for a period equal to the duration of the Port Tie-Up.
2. In the case of a longshoremen's strike exceeding five (5) days in duration, the extended First Demurrage Period will be further extended by an additional period of five (5) calendar days provided the container is actually removed by the Consignee within the additional five (5) days period or as provided

under appointment system referred to in paragraph C. below. Otherwise the additional extension is nullified and the Second Demurrage Period will commence upon termination of the First (1<sup>st</sup>) Demurrage Period as calculated in paragraph B (1) above.

C. Appointment System:

If pursuant to this Appointment System acceptable to both the Carrier and Consignee the container is actually removed by the Consignee within twenty-four (24) hours after notification to the Consignee that the container is available for pick-up and readily accessible, time will be extended for not more than twenty-four (24) hours beyond the additional Free Time or Demurrage Period referred to in paragraphs A and B above.

D. Containers in the Second (2<sup>nd</sup>) or any succeeding Demurrage Period at Commencement of Port Tie-Up:

Demurrage will continue to be assessed but charges will reduced to the First (1<sup>st</sup>) Demurrage Period charges for the duration of the Port Tie-Up. Upon termination of the Port Tie-Up charges will revert to those of the Demurrage Period and for the balance of time remaining in that period when the Port Tie-Up commenced.

E. The Carrier shall not be responsible for delays in delivering containers when such delays results from cargo being detained in Customs or Quarantine. Any Demurrage Charges that are accrued resulting from delays in Customs and/or Quarantine are to be billed for account of cargo.