Crowley Liner	Date Filed:	Date Effective:	Rule 18	Revision:	8
Org 025816	6/29/2019	8/1/2019	Vessel Fuel Surcharge	Publishing Code:	R
Tariff 001					

### **Vessel Fuel Charges**

Except as otherwise provided, all rates herein are subject to a Vessel Fuel Charge (VFS) or Vessel Fuel Index Charge (VFI). This charge is applicable on all cargo Northbound and Southbound.

- For all Open Tariff rates filed prior to April 1<sup>st</sup> 2019 and for all contracts effective prior to April 1<sup>st</sup> 2019, the Vessel Fuel Surcharge (VFS) will apply as outlined below. The VFS charge will be adjusted up/down by the same incremental increase or decrease as the VFI charge below. (e.g., if the VFI goes down \$25 then the VFS will go down \$25 with the same effective date).
- Effective April 1, 2019, Crowley will implement a new Vessel Fuel Index (VFI) to comply with these regulations. All new Contract and Tariff rates effective April 1, 2019 will utilize this new Vessel Fuel Index (VFI). Existing Contracts will be converted to the new VFI throughout the course of the year.

# <u>Vessel Fuel Surcharge – VFS Charge (effective 8/1/19)</u>

All shipments U.S. to/from Honduras, Guatemala, Nicaragua, El Salvador, Costa Rica, Panama and Dominican Republic

20' DC	\$341
20' RE	\$440
40' DC	\$682
40' NOR	\$682
40' RE	\$782
45' DC	\$780
45' RE	\$863
NIT	\$682

### All shipments U.S. to/from Haiti

20' DC	\$253
20' RE	\$353
40' DC	\$506
40' NOR	\$506
40' RE	\$605

45' DC	\$582
45' RE	\$663
NIT	\$506
VEHICLE	\$25

## All shipments U.S. to/from Caribbean

# Islands (except ABC and Cayman Islands)

20' DC	\$366
20' RE	\$466
40' DC	\$732
40' RE	\$847
45' DC	\$838
NIT	\$732
VEHICLE	\$204

# All shipments U.S. to/from Cayman Islands

20' DC	\$235
20' RE	\$235
40' DC	\$470
40' RE	\$470
45' DC	\$529
VEHICLE	\$70

# All shipments U.S. to/from ABC Islands

20' DC	\$96
20' RE	\$96
40' DC	\$192
40' RE	\$192
45' DC	\$213

# All shipments Puerto Rico to/from Caribbean and

## **Latin America (except Dominican Republic)**

20' DC	\$348
20' RE	\$448
40' DC	\$696
40' RE	\$796
45' DC	\$797
VEHICLE	\$204

## All shipments Puerto Rico to/from Dominican Republic

\$163
4
\$163
\$326
\$326

**45' DC** \$334

# All Interport shipments (from non-U.S./non-PR locations

to/from non-U.S./non-PR locations)

20' DC	\$163
20' RE	\$163
40' DC	\$326
40' RE	\$326
45' DC	\$351
45' RE	\$334
NIT	\$672
VEHICLE	\$30

#### Vessel Fuel Index - VFI Charge

On January 1, 2020 the International Maritime Organization (IMO) is implementing new regulations which further reduce sulfur content in fuel from 3.5% to 0.5% aboard vessels operating outside of designated Emission Control Areas (ECAs). Within the North American, Puerto Rico & USVI Emission Control Areas (ECAs), sulfur content will remain at 0.1% as was previous established on January 1, 2015. Additional information regarding these regulations can be found on the <a href="IMO">IMO</a> website.

In compliance with these new regulations, Crowley will convert to using the new 0.5% low sulfur fuel in the applicable international theaters as required. These regulatory fuel requirements are expected to result in substantially higher fuel costs.

Effective April 1, 2019, Crowley will implement a new Vessel Fuel Index (VFI) to comply with these regulations. All new Contract and Tariff rates effective April 1, 2019 will utilize this new Vessel Fuel Index (VFI). Existing Contracts will be converted to the new VFI throughout the course of the year. (Again, this index WILL NOT apply on shipments between the U.S. and Puerto Rico, where a separate Puerto Rico Vessel Fuel Index is currently in effect).

To begin, Crowley will use <u>Bunkerworld.com</u> to monitor the average monthly price per metric ton of the current 3.5% sulfur IFO 380 fuel burned in these international trades today, and subsequently, the price of the 0.5% low sulfur fuel. Those averages will then be used in conjunction with the table below, to determine adjustments in fuel charges. Any adjustments, if necessary, will be made with at least 30 days' notice and be effective on the 1<sup>st</sup> day of the following month.

We anticipate the additional cost of purchasing 0.5% low sulfur fuel will need to be realized ahead of the January 2020 implementation date so to have the correct fuels onboard vessels to be in compliance with the January 1 regulations. Therefore, later this year, we will apply the cost of 0.5% low sulfur fuel utilizing the same Vessel Fuel Index (VFI) below to determine any changes.

### Index table can be found here:

http://www.crowley.com/crowley-vessel-fuel-index/

All tariff and contract rates will be subject to a Vessel Fuel Index (VFI) charge as outlined below:

- All shipments between U.S. and Latin America.
- All shipments between U.S. and Caribbean Islands.
- All shipments between Puerto Rico/USVI and Caribbean Islands.
- All shipments between Puerto Rico/USVI and Latin America.
- All shipments between non-U.S., non-Puerto Rico and non-USVI locations (Foreign-Foreign/Interport).

### VFI Levels Effective 8/1/19:

20' DC	\$200
20' RE	\$260
40' DC	\$400
40' NOR	\$400
40' RE	\$520
45' DC	\$450
45' RE	\$585
53'	\$530
NIT	\$400
VEHICLE	\$45

Due to International Maritime Organization's rule to reduce sulfur content in fuels from 3.5% to 0.5% beginning in January, 2020, Crowley reserves the right to adjust fuel as necessary in accordance with any related fuel cost increases by complying with the IMO 2020 regulation.