ShipmentLink - Evergreen Line Tariff Rule Report

Organization Name : EVERGREEN LINE JOINT SERVICE AGREEMENT **Organization Number :** 020775

Tariff : 615 / EUROPE TO USA & PUERTO RICO

Rule : 010-L02 / LOW SULPHUR SURCHARGE (LSS) & (ISOCC)

Filed on : 2019/10/31 **Effective Date :** 2019/12/01 **Thru Date:** **Expiration Date :**

Rule Content

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Rule: 010-L02 Low Sulphur Surcharge (LSS) & (ISOCC)

I) Low Sulphur Fuel Charge (LSS)
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Carrier are required to use low-sulfur fuel with a sulphur content of less than 0.1% in emission
control areas under new environmental regulation.  Effective from Jan-01-2015, those shipments
that covered in emission control areas will subject to below low sulphur surcharge.

The emission control areas cover North Europe (including the Baltic Sea, North Sea,
English Channel) and North America.

A. Export from Austria, Belgium, Czech Republic, France, Germany, Hungary,
   Luxembourg, Netherlands, Slovakia, Switzerland and United Kingdom to USA

   USD 70/20' container
   USD 140/40' container
   USD 140/40' high-cube container
   USD 175/45' container
   USD 140/reefer container

B. Export from Denmark, Estonia, Finland, Latvia, Lithuania, Morocco, Norway,
   Poland, Portugal, Russian Federation, Spain, Sweden to USA

   USD 150/20' container
   USD 300/40' container
   USD 300/40' high-cube container
   USD 375/45' container
   USD 300/reefer container

C. Export from Ireland to USA

   USD 110/20' container
   USD 220/40' container
   USD 220/40' high-cube container
   USD 275/45' container
   USD 220/reefer container

II) IMO SOx Compliance Charge (ISOCC)
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Except specific ECA zones which require 0.1% Sulphur content cap e.g. see Section I of this Rule,
the International Maritime Organization (IMO) will enforce a new 0.5% global Sulphur cap on fuel
content worldwide from January 01, 2020, further reducing the Sulphur content from the present
3.5% limit.

All rates in this tariff, and in service contracts governed by this tariff, shall be subject to
the below ISOCC that will go into effect on December 01, 2019.

The amount of the ISOCC will be calculated per below format and updated periodically.

The amount of the ISOCC from December 01, 2019 to December 31, 2019
USD 25 per 20’ container
USD 50 per 40’and 40’ high cube container
USD 62 per 45’ high cube container
USD 69 per 40’ reefer container

Calculation of IMO SOx Compliance Charge (ISOCC)
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A) Determine the reporting period:
   Bunker Charge        Calculation Period
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   Jan/01 to Mar/31     September–November, prior to January 1-March 31 Bunker Charge Period
   Apr/01 to Jun/30     December–February, prior to April 1- June 30 Bunker Charge Period
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Jul/01 to Sep/30 March–May, prior to July 1-September 30 Bunker Charge Period
Oct/01 to Dec/31 June–August, prior to October 1-December 31 Bunker Charge Period

Our source for Bunker(IFO380) and Low Sulphur Fuel(0.5% Sulphur) price data is Ship & Bunker.com, https://shipandbunker.com/prices

B) Track Marine Fuel Prices:
The weekly prices gap between CS 380 (IFO 380) and new 0.5% Sulphur Marine Bunker Fuel will be used to establish the charge based on the gap between IFO380 and new 0.5% Sulphur fuel price at Rotterdam and New York.

The average East Coast prices for each Monday during the four 13-week calculation periods shown above are totaled for each calculation period and divided by 13 to arrive at quarterly average. If there is no data on a specific date on Ship & Bunker.com, the price of the following date shall apply.

If the data source availability is less than 13-weeks, the quarterly average price will be based on the available data compiled during the less than 13 week quarter divided by the number of Mondays for which data is available

C) Calculating the IMO SOx Compliance Charge (ISOCC):
The weighted price for the period is applied to the following index to determine the Applicable IMO SOx Compliance Charge

Gap between 3.5% and 0.5%	20'	40'	40'HQ	45'HQ	40'RH
500.0-524.9	71	143	143	179	197
475.0-499.9	68	136	136	170	187
450.0-474.9	64	129	129	161	178
425.0-449.9	61	121	121	152	167
400.0-424.9	57	114	114	143	157
375.0-399.9	54	107	107	134	147
350.0-374.9	50	100	100	125	138
325.0-349.9	46	93	93	116	128
300.0-324.9	43	86	86	107	119
275.0-299.9	39	79	79	98	109
250.0-274.9	36	71	71	89	98
225.0-249.9	32	64	64	80	88
200.0-224.9	29	57	57	71	79
175.0-199.9	25	50	50	62	69
150.0-174.9	21	43	43	54	59
125.0-149.9	18	36	36	45	50
100.0-124.9	14	29	29	36	40
75.0-99.9	11	21	21	27	29
50.0-74.9	7	14	14	18	19
25.0-49.9	4	7	7	9	10
0-24.9	0	0	0	0	0

If the weighted average price gap between IFO380 and 0.5% ISOCC for the applicable calculation period is equal or above $525 per ton, then the ISOCC will be increased by $4 per 20' container, by $8 for 40’, 40’ high-cube (HQ), $10 per 45' high-cube and $11 per 40' reefer (RH) container for every $25 per ton increase in weighted average Price.

The index is based on averaging of carrier costs per container per voyage assuming specific fuel price levels. It reflects carrier's assessments of fuel as a percentage of total voyage costs. It factors in the imbalance ratio between T/A W/B and T/A E/B and other factors affecting fuel consumption, and uses an average in the interest of uniformity and price predictability.

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