



April 15, 2016

RE: Fuel Surcharge Reset

Valued AML Customers,

Since entering the Central Alaska market in 2001 and more recently the Dutch Harbor/Aleutian area, Alaska Marine Lines has provided these areas a quality freight transportation service at a value price compared to the dominant carriers. Recently we have seen significant changes in rate structures in these areas. Now in order to better compete in the market we are going to restructure our fuel related surcharge. This adjustment will reduce our fuel surcharges in Central Alaska and Dutch Harbor/Aleutians to 11.0% and increase ocean freight rates by equal amounts, such that the net result is no change to bottom line rate levels and a new structure that will simplify market rate comparisons for customers. This change will become effective on April 24, 2016.

We will maintain a historical fuel surcharge to apply to contracts that were in effect prior to this change. The historical fuel surcharges will be adjusted relative to changes in the new fuel surcharge. As contracts are renewed, the new fuel surcharge will be implemented, base rates adjusted and eventually the historical fuel surcharge will be removed. This notice is to communicate that there is a change and the general nature of the change. The new rates will be applied as published in our Surface Transportation Board tariffs AKMR-314A and AKMR-315. Please contact your sales representative if you have questions.

We appreciate your business and thank you for your continued support.

Sincerely,

Dave Curtis, Vice President - Pricing
Alaska Marine Lines

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