

Port of Houston Authority

Tariff No. 18

Rates, Rules and Regulations

Governing the

Houston Public Grain Elevator #2

Issued by:

Port of Houston Authority
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PORT OF HOUSTON
GRAIN TARIFF NO. 18

Original Page No. 3

DESCRIPTION OF HOUSTON PUBLIC ELEVATOR NO. 2

Houston Public Elevator No. 2 (herein referred to as HPE #2), is located on the North Side of the Houston Ship Channel in the city of Galena Park. The elevator is owned and operated by the Port of Houston.

Houston Public Elevator No. 2 is served by the Southern Pacific Railroad. The elevator service tracks (East Yard) will accommodate 120 cars with additional rail storage space for approximately 180 cars in the West Yard. Switching between the elevator east and west yards will be provided. The PTRAs yards nearby provide storage space for up to 800 additional cars.

A major highway connects with the entry road, assuring free access by motor trucks to the Elevator parking area.

ELEVATOR CAPACITY
6,362,000 Bushels

RECEIVING FACILITIES

Rail: Three rail pits offer up to 70,000 bushels per hour of unloading capacity (21 cars per hour).

Truck: Two truck dumps offer 30,000 bushels per hour unloading capacity (30 trucks per hour).

Total Maximum Receiving Capacity 100,000 BPH

SHIPPING FACILITIES

Vessel Loading: Three automated gantry-type spouts are capable of delivering 140,000 BPH to the vessel. The Gantry Control Operator provides all spout movements including spout-trimming with the aid of hydraulic deflectors. Mineral oil is used in this equipment so as to prevent any contamination from malfunctions.

CAR LOADING CAPACITY

Six cars per hour.
Truck Loading Capabilities are Available.

GENERAL INFORMATION

The Port of Houston Authority gained ownership of the Elevator on December 30, 1992. This facility was formerly known and operated as Woodhouse; Inter-Continental Terminal (ITC); AGRI Export Cooperative and Goodpasture Elevator. It was constructed in 1979 and has been continuously modified and upgraded since that time. It is, by all measures, a state of the art facility with high speed handling capabilities.

PORT OF HOUSTON
GRAIN TARIFF NO. 18

Original Page No. 6

GENERAL RULES AND REGULATIONS		
Item No.	Subject	
5	Receipt of and/or Grain Products	Grain and/or grain products, will be received, stored and handled in the Elevator, subject to the rules, conditions and charges herein provided. All rates and charges published in this tariff cover work performed on straight time basis; overtime work will be performed by special arrangement.
6	Ownership Houston Public Elevator #2	The Houston Public Elevator #2 is owned and operated by the Port of Houston Authority, hereinafter referred to as the Port Authority.
7	Application of Tariff	<p>The rates, rules and regulations herein prescribed shall apply equally to all users of the Houston Public Elevator #2, and grain and/or grain products, will be received, stored and handled subject to the provisions of this tariff.</p> <p>The elevator operator may enter into a contract in writing with the United States of America, or any agency thereof, upon conditions and for storage and service charges other than as set forth herein.</p> <p>The elevator operator may enter into a contract in writing with any person, firm or corporation upon terms and conditions and for storage and service charges other than as set forth herein, provided such person firm or corporation makes certain guarantees with respect to volume or otherwise. The elevator operator will enter into similar contracts on an equal basis with any other person, firm or corporation subject to the handling capacity of the elevator.</p> <p>The Port Authority will undertake to furnish all services specified in this tariff with reasonable promptness, but is not obligated to furnish services, nor is it liable for failure to do so in event of Government intervention, labor troubles, war conditions or other causes beyond its control (Force Majeure). Nor shall the Port Authority be liable for demurrage, loss of dispatch, damages for delays, or dead freight unless the cause of such can be determined as sole negligence by the Elevator management.</p> <p style="text-align: center;">Cont'd</p>

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PORT OF HOUSTON
GRAIN TARIFF NO. 18

Original Page No. 7

GENERAL RULES AND REGULATIONS		
Item No.	Subject	
7	Application	Rates quoted in this tariff specifically cover the following: Wheat, corn, grain sorghums, soybeans. However, operation of the Elevator will permit the handling of many other commodities, such as beans, seeds, etc. Rates to cover the handling, storing and/or treating of all such other commodities will be quoted by the Elevator management upon request.
8	Inspection	All grain being received into the Elevator must be inspected and graded by representatives of the Federal Grain Inspection Service or by a private inspection agency as designated by the owner of the grain. Only grain being discharged from the Elevator for export must be inspected and graded by representatives of the Federal Grain Inspection Service, otherwise a private inspection agency may be designated. All inspection and grading being at the expense of owner. The Port Authority reserves the right to refuse any grain which, in its opinion, is unmerchantable or in unfit condition for storage, transfer or handling.
9	Weighing	<p>All grain, grain products or other commodities received into or discharged from the Elevator will be weighed on Port Authority scales under the supervision of a state licensed public weigher employed by the Port Authority. Official weights will be supervised by the Federal Grain Inspection Service exclusively. Class Y and/or Class II weights, which are recognized by Association of American Railroads and Western Weighing and Inspection Bureau, will be performed by Federal Grain Inspection Service, private inspection and/or weight supervision service at the customer's request, all of whom shall be the common agents both of the customer and of the Port of Houston Authority and whose certification of weights shall be binding, final and conclusive on both, the customer and the Port of Houston Authority. Such weights shall be official or state certified Class Y or Class II weights.</p> <p>All grain, grain products and other commodities not certified by Federal Grain Inspection Service, private inspection and/or weight supervision service received into and/or discharged from the Elevator will be weighed on Port Authority scales under the supervision of a licensed public weigher employed by the Port Authority, who shall be the common agent both of the customer and of the Port Authority. Such weights shall be certified state weights.</p> <p style="text-align: right;">Cont'd</p>

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PORT OF HOUSTON
GRAIN TARIFF NO. 18

Original Page No. 8

GENERAL RULES AND REGULATIONS		
Item No.	Subject	
9	Weighing	All grain, grain products and other commodities received or forwarded in railcars and/or trucks will be weighed under supervision of Federal Grain Inspection Service, public weigher, private inspection and/or weight supervision service in compliance with rail tariff, ICC, Texas Dept. of Public Safety and Texas Public Weighers license requirements.
10	Grain or Grain Products at Owner's Risk	All grain and or/grain products placed in Elevator is at owner's risk of depreciation in grade from heating, the elements, or other causes, or from the time received in Elevator until delivered therefrom. The Port Authority reserves the right, on all grain or grain products, after using due diligence in handling to preserve condition and quality, cool or turn the same, owner paying all charges. The necessity for this action shall be decided by the grain inspector in charge or the Elevator superintendent. If the owner requests treating, conditioning, screening or like handling of grain or grain products, the owner shall stand any loss in weight resulting therefrom, and applicable tariff charges will apply. The elevator management reserves the right after due diligence to treat infested grain or otherwise recondition any grain in the elevator which in its judgement is in need of such handling without prior knowledge or consent of the owner. Owner of grain so handled will be liable for payment of all charges resulting therefrom as well as weight shrinkage of the grain. If the grain owner does not follow the recommendations of Elevator management for implementation of procedures consistent with maintenance of stock and quality considerations, the Elevator will not be responsible for deterioration of stock quality, and Elevator may require removal of the grain from the Elevator as further herein described. If any grain or grain products should become infested, or otherwise out of condition while in store, the Port Authority reserves the right to order the same out on three days notice, and if not removed in said time, shall have the right to remove and dispose of said grain or grain products at the expense and for the account of the owner.

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PORT OF HOUSTON
GRAIN TARIFF NO. 18

Original Page No. 9

GENERAL RULES AND REGULATIONS		
Item No.	Subject	
11	Storing Regardless of Ownership, and Rights Regarding Grain Shortages, Shrink, Overages	<p>In the absence of instructions for special binning, grain and grain products will be placed in bins containing the same kind and grade, regardless of ownership. Except as qualified by Item No. 10, the Elevator will discharge upon request of the owner a like quantity, as determined by official or certified weights, of such kind of grain or grain products. The grain owner acknowledges that minimal weight losses arise from the handling process (shrink) and that such loss, not exceeding .25% of the total weighed volume received shall be deducted from the official or certified weights. All quantities of grain and grain products which the Port Authority's Auditor determines at any time to be in storage in the Elevator in excess of those quantities called for by outstanding warehouse receipts held by owners (such excess quantities being sometimes referred to as "overages") shall conclusively be deemed the property of the Port Authority, and the Port Authority shall have the exclusive right to sell the same and retain all proceeds of sale for its own account, and regardless of whether the Port Authority has or has not purchased for its own account any grain or grain products in store in the Elevator.</p>
12	Unloading Grain into Elevator	<p>"This Facility" of the Port Authority is primarily intended for the transfer of grain from railroad cars or trucks to ships, and to be used for storage of grain only to the extent not required for such primary purpose. The Port Authority, therefore, reserves the right, whenever it deems it desirable, to secure the movement of grain from cars or trucks to ships, or to prevent blockade of the Elevator, or for any other reason, by it deemed sufficient, without notice to apply the following rule.</p> <p>When the owner or exporter of any grain provides ship room for the same at the Elevator of the Port Authority, the Port Authority will allow such ship to load the quantity of which may be destined for it, and will unload into Elevator for such owner or exporter, the quantity so loaded out from cars which were in Houston at the time the grain first mentioned was loaded on ship, in preference to grain belonging to other persons who are not providing ship room for unloading of grain from Elevator, and without reference to the dates of shipment of the cars or trucks of grain or the dates of arrival thereof in Houston.</p>

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PORT OF HOUSTON
GRAIN TARIFF NO. 18

Second Revised Page No. 10

GENERAL RULES AND REGULATIONS		
Item No.	Subject	
13	Responsibility for Property Damage	Users of the facilities of the Port Authority shall be held responsible for all damage to the property of the Port Authority occasioned by them, and any such damage shall be repaired with costs of repairs billed against the User responsible for damage. Repairs may be by contract, in which instance actual cost to Port Authority will be invoiced; or, if repairs performed by Port Authority, cost of labor and materials plus twenty percent will be invoiced to the responsible party.
14	Insurance	Fire, lightning and extended coverage (windstorm, hurricane, hail, explosion, riot, civil commotion, smoke, aircraft and land vehicles) insurance, only under policies similar to Texas Standard Policies, will be carried by the Port of Houston Authority to cover the market value of grain or grain products stored in this Elevator and in railroad cars on railroad tracks adjacent to and within one hundred yards of said Elevator, the cost of such insurance being included in rate for receiving (Item 1). This coverage will not include any freight, demurrage, storage or other charges that may have accrued prior or subsequent to date of unloading.
15	Berthing of Grain Vessel	<p>All vessels, so far in advance of the date of docking as possible, shall file a Berth Application and Acceptance of Financial Responsibility form with the elevator prior to berthing. The following conditions will govern with respect to vessels loading grain at the Houston Public Elevator:</p> <p>(A) Vessels will load in turn of their being made ready for loading after arrival and presentation of the National Cargo Bureau's Surveyor's Pass and Federal Grain Inspection Service Report of Satisfactory Condition to the Elevator Manager, and in all respects is ready to load, including all cargo releases. The Elevator management, in it's sole discretion, may alter the turn of vessels to be loaded when in it's judgment, this is in the best interest of the elevator operations.</p> <p>(B) If a vessel loses it turn because Elevator does not have the quality and quantity of grain called for, it will be loaded as soon as grain is received.</p> <p>(C) When a vessel accepts HPE #2 berth, it does so with the understanding that it will work the following hours:</p> <p style="text-align: right;">0800 - 1200 1300 - 1700 Cont'd</p>

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PORT OF HOUSTON
GRAIN TARIFF NO. 18

First Page No. 11

GENERAL RULES AND REGULATIONS		
Item No.	Subject	
15	Berthing of Grain Vessel	<p>(D) Whenever one or more vessels are waiting to load or whenever the elevator is declared by the management to be threatened with congestion, the elevator management, in its sole discretion, may require a vessel to work overtime at vessel's expense. Overtime work will be performed only at the discretion of the elevator management. Any vessel, their owners or charterers, refusing to work overtime at their owner's or charterer's expense shall vacate the berth on order of the elevator Manager and will again be placed on turn at his discretion. Any ship or barge, her owners or charterers, failing to timely vacate its berth when so ordered shall be subject to payment of additional dockage charges at the rate of \$700.00 per hour or fraction thereof.</p> <p>(Charges applicable to vessels utilizing other Port Authority facilities are published in Port of Houston Tariff No. 8, 12 or re-issues thereof.)</p>
16	Loading Delay	<p>Houston Public Elevator No. 2 is a high speed grain handling facility and as such delays can become costly to all parties involved. In an effort to avert loading delays the following standby charge of \$2,000.00 per hour (or 15 minute increments) may be applied in the specific delay situations described below.</p> <p>(A) Opening/Closing of Hatches Vessel has fifteen (15) minutes to open all hatches and be load-ready after the hour for which labor has been called. Those vessels whose equipment does not permit opening in fifteen minutes, must open prior to labor call and be load ready within fifteen (15) minutes after the hour.</p> <p>(B) Ballasting/Air Draft Prior to the vessels arrival at the loading berth, Elevator management will inform the vessels agent that the vessel must arrive not exceeding a prescribed air draft limitation (water line to top of hatch combing). The vessel shall adjust ballast appropriately <u>in advance</u> so that loading and completion will not be delayed nor such condition unreasonably interfere with the loading process.</p> <p style="text-align: right;">Cont'd</p>

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PORT OF HOUSTON
GRAIN TARIFF NO. 18

Original Page No. 12

GENERAL RULES AND REGULATIONS		
Item No.	Subject	
16	Loading Delay	<p>(C) Checkpoints</p> <p>At the end or near completion, the vessel is allowed one fifteen (15) minute period for the purpose of checking draft, stability, etc. in determining its exact need of cargo. For any delays beyond the one fifteen minute allowance, vessel will be charged with Elevator standby. If vessel's delay caused Elevator to load into overtime or double time situation, then those highest rates of standby will be calculated as the standby charged against the vessel. For each additional checkpoint needed past the one fifteen (15) minute checkpoint there will be a charge of \$500.00 for each one-quarter hour, or fraction thereof, taken.</p>
17	Elevator Overtime Guarantee	<p>If Elevator labor is called out and vessel does not work, following minimum hourly periods will be assessed at overtime rate:</p> <p style="margin-left: 40px;">1900 Call: 4-hour minimum 0700 Call: 1-hour minimum; except Saturday, Sunday or holiday, 4-hour minimum</p> <p>Vessels requesting overtime must do so not later than 1300 of the day preceding the last straight time work day prior to start of the overtime period.</p>
18	Holidays	<p>As applied within this tariff, the term "holidays" includes the following named days:</p> <p style="margin-left: 40px;">New Year's Day Washington's Birthday Good Friday Memorial Day Independent Day Labor Day Thanksgiving Day Friday Following Thanksgiving Christmas Eve Christmas Day</p> <p>Holidays falling on Saturday or Sunday will be observed on the Friday before, or the following Monday unless otherwise specified by the Executive Director.</p>

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PORT OF HOUSTON
GRAIN TARIFF NO. 18

Original Page No. 13

GENERAL RULES AND REGULATIONS		
Item No.	Subject	
19	Provisions	<p>(1) Stevedoring companies must meet the requirements of the Port Authority to be a user of the facility.</p> <p>(2) Stevedores are required to provide the Elevator with a pre-load cargo stowage plan prior to loading commencement, and a final stowage plan following cargo completion.</p>

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