



Customer Service

1-877-678-SHIP

December 7th, 2007

HAWAII SERVICE ANNOUNCEMENT *General Rate Increase*

Dear Valued Hawaii Customer:

Horizon Lines filed a General Rate Increase (GRI) today in Hawaii tariff (HRZL-468) that will become effective on Monday, January 7th, 2008. This rate increase covers increasing costs in a number of areas, including gate, yard and terminal operations on the West Coast and in Hawaii. The amount of increase varies depending on origin and destination of the shipment.

Westbound Cargo:

Per Container (PC) rates for shipments originating on the Mainland moving on a door basis via truck or on a port basis will increase by \$75. Per container rates for shipments originating on the Mainland moving on a door basis with a rail leg will increase by \$165. Per Hundred Weight (CWT) rates for shipments originating on the Mainland and most tariff rules will increase by 3.0%. Per Cubic Foot (CFT) rates for shipments originating on the Mainland will increase by \$0.07. The Terminal Handling will increase by \$125 per container on shipments to Hawaii.

Eastbound Cargo:

Per Container (PC) rates for shipments originating in Hawaii moving on door basis via truck or on a port basis will increase by \$40. Per container rates for shipments originating in Hawaii moving on a door basis with a rail leg will increase by \$130. Per Hundred Weight rates for shipments originating in Hawaii will increase by 3.0%. The Terminal Charge will increase by \$60 per container for shipments from Hawaii.

Horizon Lines also continues to reinvest in equipment to support the needs and growth of its shippers, including over 1,000 new reefers and 238 flatracks deployed in the lane in the past year.

Horizon Lines is making a healthy investment in its Honolulu operation and infrastructure to accommodate growth over the next five to seven years. Over \$10 million is being invested facility improvements including four rubber-tired gantrys (RTGs) that will be delivered in the 3rd quarter of 2008 at a cost of nearly \$8 million. The Honolulu facility will be re-designed to improve traffic flow.

These improvements will result in enhanced service levels for many years to come. If you have any questions regarding this GRI, please contact your local Horizon Lines Sales or Customer Service Representative.

We thank you for your continued support.

Sincerely,

Hawaii/Guam Marketing Department
Horizon Lines, LLC.