



Triton Towers One, Suite 600
555 S Renton Village Place
Renton, WA 98057

October 28, 2008

Dear Valued Customer:

Horizon Lines of Alaska has filed today with the Surface Transportation Board to decrease the Inland fuel surcharge as specified in Rule 338 of our Alaska tariffs from 32.0% to 27.5%. This fuel surcharge applies only to inland origin and destination arbitraries, including local pick-up and delivery. The effective date for this decrease is November 9, 2008.

We will continue to monitor fuel price trends and adjust the fuel surcharge accordingly.

As a reminder, please be aware that, as announced on October 27th, the Ocean fuel surcharge as specified in Rule 339 of our Alaska tariffs will be decreased from 26.5% to 23.0%, effective November 9, 2008.

We at Horizon Lines of Alaska appreciate your business and look forward to serving you in the future.

Sincerely,

Marvin Buchanan
Director, Marketing and Pricing, Alaska Division