

**PORT OF TEXAS CITY
TEXAS CITY TERMINAL RAILWAY COMPANY
U.S. CUSTOMS PORT CODE 5306**

ADDENDUM No. 1 to CIRCULAR NO. 4-H

Contains

ADDITIONAL WHARFAGE ON CERTAIN CRUDE OIL

Applying on the

**WHARVES AT THE PORT OF TEXAS CITY, TEXAS AND
TEXAS CITY TERMINAL RAILWAY COMPANY**

ISSUED MAY 1, 2008

EFFECTIVE JUNE 1, 2008

**Port of Texas City
Texas City Terminal Railway Company
2425 Highway 146 North
Texas City, Texas 77590
Phone 409-945-5011
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Web Page www.railporttc.com
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ITEM SUBJECT**APPLICATION**

SECTION 4 – ADDITIONAL CHARGES APPLICABLE TO CERTAIN CARGO**402 WHARFAGE
SURCHARGE ON CRUDE
OIL**
**The following additional charge is applicable on all crude oil
Cargo loaded or unloaded from Vessels larger than 50,000 DWT****IN DOLLARS PER BARRELS OF 42 GALLONS**

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|-------------------------------------|---------------|
| 1. Crude Oil - Leased Docks | \$0.03 |
| Crude Oil - Non-Leased Docks | \$0.03 |

The above surcharge ("Crude Oil Surcharge") is put in place to cover the Non-Federal Sponsor's Costs of deepening the Texas City channel. Pursuant to Section 201 of the Water Resources Development Act of 1986, Public Law 99-662, dated 17 November 1986, the United States Army Corps of Engineers (the "Government") is authorized to deepen the Texas City Channel from the current depth of 40 feet to 45 feet for a distance of approximately 6.8 miles from Bolivar Roads at the Houston Ship Channel to the Turning Basin (the "Project"). The Project is set forth in more detail a Project Cooperation Agreement ("PCA") to be executed between the City of Texas City (the "City") and the Government. The PCA and Water Resources Development Act of 1986 also specifies cost-sharing requirements applicable to the Project, which the City, as the Non-Federal Sponsor, must contribute. The Port Authority and the City will also be entering into a Contribution Agreement covering the Port Authority's contribution to the City.

The funds collected from the Crude Oil Surcharge shall be used to cover (1) the Non-Federal Sponsor's contribution of 25% towards the total costs of construction of the general navigation features of the Project, not to exceed \$17,500,000.00, (2) the Non-Federal Sponsor's contribution of an additional amount equal to 10% of total costs of the construction of the general navigation features of the Project required by the PCA, not to exceed \$7,000,000, and (3) the Port Authority's costs associated with borrowing any money necessary to advance the payment under (1) and (2) above, including any interest or fees as a result of borrowing the funds. The Port Authority will not profit from the collection of the Crude Oil Surcharge. Money collected through the Crude Oil Surcharge shall be directly deposited into an account set up for such funds and will not be commingled with other money. The Port Authority will make available monthly reports demonstrating the collection and disbursement of funds from the Crude Oil Surcharge, upon request by any User of the Port of Texas City that has paid the Crude Oil Surcharge, and such User may also review and audit the account and payment of money from the account, after reasonable notice to the Port Authority.

Once the Project is (1) completed in its entirety, (2) the Government has confirmed in writing that the Non-Federal Sponsor's funding of the Project has been paid in full, and (3) all of the costs intended to be recovered through the Crude Oil Surcharge are collected and satisfied, the Port Authority will remove the Crude Oil Surcharge this Circular. The Port Authority may also increase or decrease, or suspend collection of, the Crude Oil Surcharge as necessary to ensure that the necessary funds are recovered on a timely basis, but not in excess. Additionally, any money collected through the Crude Oil Surcharge not used or needed to reimburse the Non-

	<p>Federal Sponsor's costs or other associated costs, shall be removed from the Crude Oil Surcharge account and credited to the Users who paid the Crude Oil Surcharge on a pro rata basis of the total amount of the surcharge collected from each User. .</p>
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The Crude Oil Surcharge is in addition to all other wharfage and dockage rates and charges contained in the tariff, Circular 4-H, or any other applicable circular or schedule. Nothing herein shall limit the Port Authority's ability to charge and collect other amounts through its circulars or schedules, including wharfage, dockage and other surcharges.