



June 14, 2011

Subject: Hawaii General Excise Tax on Shipping - Clarification

Dear Matson Customer,

We apologize if we caused some confusion with yesterday's communication about the recent legislation passed regarding the Hawaii General Excise Tax. To clarify, S.B. 754, passed by the 2011 Hawaii state legislature, temporarily suspends many existing general excise tax exemptions, of which certain transportation and maritime support services is just one. As a result, should this bill pass into law, the cost of shipping to, within and from Hawaii will increase. SB 754 is currently pending the Governor's action. Unless he chooses to veto it, the bill will become law, effective July 1, 2011.

Our only purpose for yesterday's communication was to keep with our policy of giving our customers approximately one month's notice of any changes in our fees and rates, to facilitate your own planning. Please be assured that should the bill not become law, Matson will not be implementing the \$52 per container General Excise Tax Arbitrary that we announced yesterday. If the bill does become law, then Matson will implement the charge effective July 10. Again, our intent is to recover only the additional costs we will incur because of this new law which temporary suspends the pre-existing general excise tax exemption for stevedoring and other maritime services.

If you have any questions, please contact your account executive or our Customer Support Center.

Thank you for shipping with Matson.