KATAHDIN RAILCAR SERVICES, LLC.

FREIGHT TARIFF KRS 8000-1

LOCAL AND JOINT FREIGHT TARIFF PUBLISHING RULES AND CHARGES ON SWITCHING AND ON ASSESSORIAL CHARGES AT STATIONS ON KATAHDIN RAILCAR SERVICES, LLC.

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ISSUED BY

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PLAN OF TARIFF

THE APPLICATION OF THIS TARIFF WILL BE GOVERNED BY THE PRECISE TERMS AND CONDITIONS STATED ELSEWHERE HEREIN AND NOT BY THIS "PLAN OF TARIFF"

Cancellation Notice

This tariff cancels:

NA

Explanation of Abbreviations

ABBREVIATION	EXPLANATION
KRS	KATAHDIN RAILCAR SERVICES, LLC
JCT	JUNCTION

ME	MAINE
NSO	NATIONAL SERVICE ORDER
OPSL	OFFICIAL LIST OF OPEN AND PREPAY STATIONS (STATION LIST PUBLISHING COMPANY, AGENT)
RR	RAILROAD
RPS	RAILROAD PUBLICATION SERVICE
UFC	UNIFORM FREIGHT CLASSIFICATION (UNIFORM CLASSIFICATION COMMITTEE, AGENT)

ITEM 1000 DESCRIPTION OF GOVERNING CLASSIFICATION AND EXCEPTIONS

The term "Uniform Freight Classification" when used herein means Freight Tariff UFC 6000 series

ITEM 1010 STATION LISTS AND CONDITIONS

This tariff is governed by OPSL 6000 series to the extent shown below:

A. For additions and abandonment of stations and except as otherwise shown herein, for prepay requirements, changes in names of stations, restrictions as to acceptance or delivery of freight and changes in station facilities.

B. When a station is abandoned as of a date specified in the above named tariff, the rates from and to such stations, as published in this tariff, are inapplicable on and after that date.

ITEM 1020 EXPLOSIVES, DANGEROUS ARTICLES

For rules and regulations governing the transportation of explosives and other dangerous articles, also specifications for shipping containers and restrictions governing the acceptance and transportation of explosives and other dangerous articles, refer to BOE 6000 series.

ITEM 1030 REFERENCE TO TARIFFS, PRICE AUTHORITIES, ITEMS, NOTES, RULES, ETC.

Where reference is made in this tariff to tariffs, price authorities, items, notes, rules, etc., such references are continuous and include supplements to and successive issues of such price authorities and reissues of such items, notes, rules, etc.

ITEM 1040 CONSECUTIVE NUMBERS

- A. Where consecutive numbers are represented in this tariff by the first and last numbers connected by the word "to" or a hyphen, they will be understood to include both of the numbers shown.
- B. If the first number only bears a reference mark, such reference mark also applies to the last number shown and to all numbers between the first and last numbers.

ITEM 1050 CAPACITIES AND DIMENSIONS OF CARS

For marked capacities, lengths, dimensions and cubic capacities of cars, see Official Railway Equipment Register. (RER 6413 series)

ITEM 1060 NATIONAL SERVICE ORDERS

This tariff is subject to provisions of Tariff NSO 6100 series.

ITEM 1070 REVISION NUMBERS

This tariff will be amended by reprinting the page and showing a revised page number. Revision numbers will be used in consecutive numerical order beginning with the "1ST Revised Page". A revised page cancels any uncancelled revised or original pages that bear the same page number.

ITEM 1080 DEFINITION OF TERMS USED IN CONNECTION WITH CHARGES NAMED HEREIN

CONSTRUCTIVE PLACEMENT- PCON

When, due to some inability on the part of the consignor or consignee, a rail owned or private car cannot be placed for loading or unloading at a point previously designated by the consignor or

consignee, and is placed elsewhere, it is considered as being under constructive placement and subject to demurrage rules and charges, the same as if it were actually placed at the designated point.

INDUSTRIAL TRACK

A track serving a particular industry, whether located upon the property of KRS or upon property owned or leased by the industry.

INTERCHANGE TRACKS

Interchange tracks are tracks on which cars are interchanged between KRS and connecting lines.

INTERMEDIATE SWITCHING

A switching movement between interchange tracks of one carrier to interchange tracks of another carrier within the switching limits of the same station.

INTERSTATE TRAFFIC

Traffic moving from a point in one state or province to a point in another state or province, or a shipment moving from a point in a state or province to another point in the same state or province but moving outside the state or province while in transit.

INTER-TERMINAL SWITCHING

A switching movement between an industrial track or a team track on the tracks of KRS and an industrial track or team track on connecting lines of traffic having origin and destination within the switching limits of the same station or industrial switching district. Charges of connecting carriers will be in addition to charges provided herein.

INTRASTATE TRAFFIC

Traffic moving from a point in a state or province to another point in the same state or province that does not move outside of the state or province while in transit.

INTRA - PLANT SWITCHING

A switching movement from one track to another or between two locations on the same track within the confines of the same (single) plant

INTRA-TERMINAL SWITCHING

A switching movement from Railroad property track to Customer Track and the reverse.

STORAGE – STEA

The act of rail owned cars or private cars being placed in storage.

LINE HAUL

Movement between stations that are not located within the switching limits of the same station.

RECIPROCAL SWITCHING

An arrangement between carriers servicing the same station or switching district where the carrier physically serving the industry performs switching service for loading or unloading on behalf of the other carrier on shipments having an immediately preceding or following line-haul movement via the other carrier. For points in Canada subject to Statutory Canadian Transport Agency Zone Switching, service will be performed subject to applicable C.T.A rules and regulations. (See Section 3 of this document)

TEAM TRACK

A track or tracks assigned by KRS for use of the general public.

ITEM 1090 CHARGES ON LOADED AND EMPTY CARS

CARS ORDERED AND NOT USED

- 1) Except as otherwise provided, the charges published in this tariff include:
 - a) The switching of an empty car to be loaded and the return of the same car loaded.
 - b) The switching of loaded car for unloading and the return of the same car empty.
- 2) Unless otherwise specified, if a car moves fully or partially loaded in each direction, switching charges will be assessed in each direction.
- Except as otherwise provided, if an empty car is ordered and the service of switching and placing it has been performed, and the car is subsequently released back to carrier without being loaded,
 \$350 per car, in addition to applicable demurrage and detention charges, will be assessed against the party ordering but not using the equipment. (See Exceptions)
- 4) For movement of empty cars not covered by Paragraphs 1 and 3 of this item, the charge will be \$**350** per car.

DELINQUENT PAYMENT

1. Katahdin Railcar Services, LLC reserves the right to place any account that is over 30 days on credit hold and put the account on C.O.D., until payment is received. We also reserve the right to add a finance charge of 1.5% per month on all accounts that are over 30 days past due.

- 2. We may also require customers make available to KRS a sum of money or security sufficient to cover charges for cars ordered not used that may reasonably be expected to be levied against each car destined for delivery to customer prior to delivery of that car based on customer's traffic volume and level of delinquency for the previous year. The amount to be required will be determined by a review of previous levels of cars ordered but not used charges billed by KRS against customers account.
- 3. Refusal or failure of customer to enter such a payment security program will result in the issuance of an embargo against acceptance by KRS of any or all traffic to be handled for customer's account.

Please refer to KRS's Conditions of Carriage, Item 300 for complete description of payment terms

EXCEPTIONS

- 1. 1. The charge will not apply if release of the empty car results from carrier's failure or inability to place or constructively place the car ordered on the day for which it was requested. Carrier will have fulfilled its obligation of furnishing the car on the day for which ordered if the car is available for loading on the day before or the day after the day for which it was ordered.
- 2. The charge will not apply if the party ordering the car advises KRS within twenty-four (24) hours of actual placement, that the car is refused or rejected because it is not in proper condition for loading; was, not the proper type ordered; or the loading of which would be in violation of any outstanding car service orders or loading rules.
- 3. The charge will not apply on special type flat cars with mechanical designation "FD", FG", "FW" or "FM "listed in Tariff RPS 6470 series, or other applicable tariffs, for which charges are provided therein.

ITEM 1100 EMPTY CARS RETURNED UNFIT FOR LOADING

When an empty car is received from a connecting carrier for loading by an industry located on the KRS, and is refused by the industry because the car is not in proper condition to load and must be returned to the connecting carrier, a charge of **\$450.00** per car will be assessed against the connecting carrier. The charge will be made for one direction only.

ITEM 1110 CARS HELD FOR DIVERSION OR RECONSIGNMENT ON KRS

Except as otherwise provided, cars received from and/or delivered to connections, which are held for diversion or reconsignment on tracks of the KRS awaiting placement on consignee's private or assigned siding served by KRS, and which are diverted or reconsigned to destinations on roads other than KRS beyond the original destination will be subject to reciprocal switching charge, in each direction, between interchange with connections and the original consignee's private or assigned siding. No switching charge will be assessed on the outbound movement when KRS is accorded the outbound line-haul movement.

ITEM 1120 SWITCHING WITHOUT CHARGE

No charge will be made for the initial switch to or from tracks of private or assigned sidings served by KRS or interchange tracks of industries connected with KRS when the switching service immediately precedes or follows a revenue line-haul over KRS. Additional charges will apply to subsequent switches within industry or switching limits. See item 1210 for "Additional Charges."

ITEM 1130 CAR DEMURRAGE RULES AND REGULATIONS

Except where otherwise provided, all cars handled under the provisions of this tariff will be subject to demurrage and storage rules and charges as provided in Tariff KRS 6000 series.

ITEM 1140 FREIGHT TRAFFIC RECONSIGNED VIA SWITCHING ROAD

When cars are switched from connections, placed for delivery to consignees, and later reconsigned for line-haul via KRS, subject to joint through rate from original point of shipment to ultimate destination, the same charge will be made for return of car to terminal yard as for original movement from connecting road, providing specific charge is not already in effect.

ITEM 1150 PREPAYMENT OF CHARGES

- 1. All charges under this tariff must be prepaid or arrangements made to KRS satisfaction.
- 2. No charge of any kind will be advanced on line-haul cars switched to connecting lines nor will line-haul cars bearing advance charges be accepted from connecting lines for handling under the provisions of this tariff.

- 3. KRS payment terms are Net 15. Whenever KRS issues any freight bill or invoice that remains unpaid after a period of 90 days or more from the date of the bill or invoice, KRS may, on not less than 10 business days' notice, notify the party to whom the charges were assessed that credit privileges are suspended and that a security deposit will be required in order to avoid any interruption in service. The security deposit shall equal the total of all past due invoicing that remains unpaid.
- 4. During the period in which credit is suspended all services provided by KRS will require prepayment.

Please refer to KRS's Conditions of Carriage, Item 300 for complete description of payment terms.

ITEM 1160 SHIPMENTS REQUIRING TWO OR MORE CARS

Except as otherwise provided, when shipments are loaded in so called articulated cars (two or more units permanently or temporarily joined together), or when a shipment requires two or more cars for transportation; switching charges will be assessed for each car.

ITEM 1170 SWITCHING SERVICE WHERE NO CHARGES ARE PROVIDED HEREIN

Where no switching charge is provided in this tariff, switching service will not be performed.

ITEM 1180 FIRST PLACEMENT CONSTITUTES DELIVERY

When cars are placed for loading or unloading at or on assigned sidings, leased tracks, warehouses or industries, such placement shall constitute delivery of the car for loading or unloading. Any subsequent switching movement will be subject to an applicable switch charge per car. When a car is constructively placed, this shall constitute first placement. A switch charge will be assessed when the car is actually placed.

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ITEM 1190 TEMPORARY STORAGE AND SUBSEQUENT SWITCHING

After a private or rail owned car has been placed into Constructive Placement (PCON) or placed into temporary storage (STEA) for customer convenience then a switching charge will be assessed when car is ordered out of PCON or STEA status by customer. Switch fee will be determined based on distance between temporary storage location and customer's plant as follows:

Between .5 miles and 5 miles\$150 per carFrom 5.1 miles to 10 miles\$250 per carFrom 10.1 miles to 20 miles\$350 per carIn excess of 20 miles\$450 per car

ITEM 1200 INTRA-PLANT, INTRA-TERMINAL, AND INTER-TERMINAL SWITCHING CHARGES- GENERAL

Except as otherwise provided, KRS will assess a switch charge as follows:

INTRA-PLANT (A)\$250 per carINTRA-TERMINAL\$400 per carINTER-TERMINAL\$400 per carNote: Unless otherwise indicated all charges in Section 2 of this Tariff are expressed in U.S. Funds only.

ITEM 1210 CHARGE FOR CARS WITH FOUR OR MORE THAN FOUR AXLES

- 1. Charges for switching service at points on KRS are restricted to cars having no more than four axles.
- 2. When cars with more than four axles are switched the charge for such service will be 200% of the charge for the same service applicable on cars with four axles or less.

ITEM 1220 WEIGHING AND REWEIGHING OF EMPTY AND LOADED CARS

A per car charge of **\$500** US Dollars (USD) will be assessed for weighing under the following circumstances:

- 1. On Private Scales located at the industry
- 2. When request is made at time of billing (charges billed to the payer of freight)
- 3. For all other weighing or reweighing

ITEM 1230 RULES GOVERNING OVERLOADED CARS

A car for which either the net weight is in excess of the car's load limit or the gross weight is in excess of the track weight limit at any point along the route of movement is defined as an overloaded car. All charges are in US Dollars (USD)

Charges for each such car will be assessed as follows:

- 1. **\$5.00** per mile charge subject to a minimum of **\$300** for each move to track where partial unloading may be accomplished.
- 2. Car reweighing charge as per Item 1240.
- 3. Full demurrage charges.
- 4. **\$2,000** per car "overload charge" for each such car that has been determined by KRS to have been overloaded effective on all commodities.

ITEM 1240 CHARGES FOR SPECIAL FREIGHT TRAIN SERVICE

The charge for special freight train service will be based on the rate of **\$30.00** per train mile or fraction thereof, via route of movement, subject to a minimum of 100 miles, which will be in addition to all other charges associated with the shipment. Advance notification for special train is required.

When an Idler car is necessary, an additional charge of \$750 per car will be assessed.

ITEM 1250 SPECIAL TRAIN SERVICE AT TERMINALS

When special movements at terminal stations are required because of excessive dimension, excessive weight, high center of gravity or other conditions not permitting normal operations, a charge will be made in addition to the regular freight charge or switching rates. A charge of **\$2,500.00** will apply when the time consumed is eight (8) consecutive hours or less for the time required to make the movement and return the engine and crew to the starting point. Time required in excess of eight (8) consecutive hours but no more than twelve (12) hours in the aggregate will be charged at **\$400.00** per hours or fraction thereof.

ITEM 1260 ATTENDANTS ACCOMPANYING FREIGHT SHIPMENTS

If KRS is unable to provide sufficient space to accommodate attendants accompanying freight shipments in the cab or a locomotive in special freight service, attendants must furnish their own caboose or substitute, and the following charges will apply:

- 1. Charges for caboose \$2.00 per mile minimum of \$500.00 per caboose.
- Charges for attendants accompanying shipments \$1.00 per actual mile traveled, minimum charge of \$250 per attendant. Attendants will be required to execute releases from liability satisfactory to KRS.

ITEM 1270 DIVERSION OR RECONSIGNMENT CHARGES

A diversion charge of **\$300.00** will be assessed against the party requesting diversion including any change to the original shipping document, including but not limited to:

- 1. A change in the party responsible for payment of transportation charges (freight payer) of a shipment.
- 2. A change of the shipment from "Prepay" to "Collect" or the reverse.
- 3. A change in the description of the commodity shipped.
- 4. A change in routing, consignee, or destination.

ITEM 1275 INTERLINE SWITCHING CHARGES

Except as otherwise provided, KRS will assess an interline switching charge of \$630 USD for loaded cars moving between interchange and customer. This does not include the movement of hazardous materials or dimensional traffic.

ITEM 1280 CHARGES FOR CARS REQUIRING SWITCHING-TURNING TO PERMIT LOADING OR UNLOADING

When a customer request that KRS turn a car(s), the party requesting the service will pay KRS **\$500** for each car that KRS turns.

ITEM 1290 CHARGES FOR RETURN OF CAR ACCOUNT OF CARRIER or SHIPPER ERROR

When loaded or partially loaded cars are returned to industry, a charge of **\$3.00** per mile, minimum of **\$300** will be charged to the party requesting such return.

ITEM 1300 CARS DIVERTED AT INTERCHANGE STATIONS

If after receiving a car in interchange from a connection carrier, KRS is requested to return the car to the same carrier or give the car to another carrier at the interchange station, prior to the car departing the interchange station in KRS line-haul service or placing the car at an industry, charges for handling the car will be **\$450** U.S. per car.

ITEM 1310 CARS REQUESTED BY SPECIFIC NUMBER

When a customer requests that the railroad place a specific car number to an industry ("cherry-picking") or a first in/first out demand, a charge of **\$150** will be charged to the requestor. This charge applies regardless of car ownership and whether the cars are stored or held on railroad tracks or customer leased tracks.

ITEM 1320 RELEASED BEFORE READY or AVAILABLE

A **\$350** charge will be assessed when a car is released by the shipper, but for reasons not attributed to the railroad, cannot be pulled. As example: Customer releases a car as empty, railroad arrives to pull the car, and product is still being transferred, track is locked, gate is closed.

ITEM 1330 INCOMPLETE BILLING

When on Shipper's orders, a rail car is released from an industry on KRS, or received at interchange form a connecting Carrier with incomplete billing or non-compliant billing and is deemed insufficient to continue movement, the Shipper or Carrier (erring party) will be assessed a charge of **\$400** and all applicable demurrage, storage or detention charges will apply until such time as the Shipper or the Carrier provides complete Bill of Lading instructions which will allow the railcar to continue movement.

ITEM 1340 EQUIPMENT DAMAGED WHILE LOADING/UNLOADING

Upon inspection by KRS, if a railroad-supplied car requires repairs due to damages attributable from loading or unloading, other than usual wear and tear, a fee of **\$1,000** may be assessed.

1350 KATAHDIN RAILCAR SERVICES TANK CAR REPAIR FACILITY SCHEDULE AND FEES

1. <u>Turn Time Standards (Arrival to Departure):</u>

- Tank Cars Re-Qualification 30 working days (6 weeks)
- Freight Cars / Tank Car Change of Service 25 working days (5 weeks)

2. Car Schedule - Arrival to Work:

- 48 Hours (2 days) Inspection to be conducted within to include write up and parts needed.
- 72 Hours (3 days) Customer Service to complete and submit write and submit to customer for approval.
- 48 Hours (2 days) Customer to approve work.
 - a. \$50 charge per day beyond the 48 hours
- 24 Hours (1 day) Once approved by customer order parts needed which are not on hand.
- Total of **8 days** before work starts from arrival.

3. Days to Complete Work:

- Tank Car Re-Qualification: 15 Working Days.
- Freight Car / Tank Car Change of Service: **10 Working Days.**

4. Car Schedule - Complete to Departure:

- 24 Hours (1 day) Outbound Inspection once work is complete.
 - **a.** 48 Hours (2 days) Outbound Complete Customer Service to submit final estimate for customer approval.
- 72 Hours (3 days) Customer to approve final estimate.
 - a. \$50 charge per day beyond the 72 hours
- 24 Hours (1 day) Customer approves final estimate Gives disposition for car.
 - b. Note: Storage charges start after 5 days from original disposition request.
- Total of **7 days** from work completed to departure.
- Final disposition submission is expected within 5 days of request.
 - c. \$50 charge per day beyond the 120 hours (5 days) requested.

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