

CODE OF CAR SERVICE RULES AND INTERPRETATIONS — FREIGHT

the car, and the originating road haul carrier shall pay the weighing carrier seventy-five dollars (\$75) per car weighed.

The first subsequent carrier failing to furnish the next road the weight information specified in Paragraph (B) shall pay the weighing carrier the seventy-five dollars (\$75) penalty per car weighed.

C. Failure to Forward Weighing Data:

The railroad transmitting a waybill or specific EDI weight transaction must indicate its name in the transaction along with the date it was transmitted and along with the weighing data required in Paragraph (B) or scale weight if used. Failure to include the weighing data will result in a seventy-five dollar (\$75) penalty per car weighed payable to the weighing carrier by the carrier transmitting the waybill.

D. Handling of Bills:

Bills made under this rule must be presented within three (3) months from the last day of the month in which the penalty charges accrued and must be accompanied by a copy of the EDI transmission used to create the waybill. Carrier receiving such bills must pay undisputed items and return with explanation as to unpaid items within three (3) months from the last day of the month of receipt.

E. Definition of Loading Point:

The point at which loading is completed is considered the point of origin of a stop-off car and the road haul carrier on which loading is completed shall be responsible for complying with Paragraph (A) or (B).

F. Interterminal Service:

Unless otherwise agreed, the road on which a car is loaded shall be responsible for proper weighing of carload moving in interterminal switching service when weighing is required for assessment of freight charges.

G. Shortlines:

Short Line Railroads as defined in Appendix "B" to the Code of Car Hire Rules-Freight, that do not have scales should make arrangements with their connections for the weighing of cars loaded and handled in road haul on the Short Line. Otherwise, the provisions of Paragraph (B) apply.

INTERPRETATION

Question: When does a haulage rights carrier (tenant) have an obligation to provide the scale weight?

Answer: When it's the first road haul carrier.

RULE 12 - Cars Containing Refuse

Cars containing refuse may be rejected by the receiving road when offered in interchange as empty cars (except empty boxcars graded X, Y or Z).

RULE 13 - Intentionally Not Used

RULE 14 - Contaminating Commodities

A. Box cars grade A or B per AAR Car Grade System, or refrigerator cars, must not be loaded with K graded commodities listed in Appendix A, list of K grade commodities.

B. Municipal Waste (STC Code 4029114; Car Grade W) may only be loaded in equipment assigned for that purpose.

C. Commodities containing proteins derived from ruminants (STC Codes 20-144-XX, 20-149-XX, 20-421-XX, 20-471-XX and 28-719-XX; Car Grade N) may only be loaded in Covered Hoppers (AAR Equipment Type C) assigned for that purpose. This paragraph does not provide any authority to load where none existed before.

D. If a Box car is loaded in violation of A or B above and it becomes necessary to renew floors, lining or sheathing (including associated parts), or portions thereof, in order to restore car to previous loading classification because of contamination due to such loading, the cost of the repairs, notwithstanding any other provision of these rules, shall be assumed by the road (either switching or road haul) responsible for furnishing the car for such loading.

E. If a Covered Hopper is loaded in violation of C above, the cost of returning the car to general unrestricted service, including but not limited to the cost of cleaning, shall be assumed by the road (either switching or road haul) responsible for furnishing the car for such loading. The car owner will be provided documentation that the car has been cleaned to FDA standards (21 C.F.R. 589.2000). The car owner will report via TRAIN03/10 Report Type 46 Car Grade P that the car has been cleaned. Note: Specific STC Codes at the seven-digit level are referenced in AAR Circular OT-10 Table K Grade, N Grade and W Grade Commodities.

RULE 15 - Requests for Cars

A. Information to be Recorded:

Carriers shall record all requests for cars for loading. If order covers more than one date, it must state number of cars wanted separately for

each day. Requests shall include the following information if available:

1. Date and time
2. Name of party
3. Name of person receiving request
4. Kind and size of cars wanted
5. Number of cars wanted
6. Date wanted
7. Commodity to be loaded
8. Destination and route
9. Pricing Authority reference number (e.g. tariff or contract number)

B. Road that must Record:

Request for cars shall be accepted only by the road which serves (switches) the car-ordering entity.

C. Roadhaul Traffic Originating in Switch Service:

On cars originating in switching service, the serving carrier shall inform the originating roadhaul carrier of the order. If such cars are not immediately available from the originating roadhaul carrier, the switching carrier may take such actions as necessary to provide equipment for the shipper. These actions may include, but are not limited to, the ordering of appropriate equipment from other roadhaul carriers. Cars ordered by switching carriers from an originating roadhaul carrier for return loading in originating roadhaul service will be furnished by originating roadhaul carrier in the same manner and to the same extent as cars ordered by industries directly served by it. This provision is not intended to affect the rights or obligations a switching carrier or an originating roadhaul carrier may have to supply equipment under law or a lawful tariff provision.

D. Intraterminal Traffic:

Switching carriers are obligated to furnish or arrange for cars required for loading to destinations within the same switching limits.

INTERPRETATION

Question: When is the haulage rights carrier (tenant) responsible for the shipper's car order?

Answer: When it is considered the line haul carrier directly serving the shipper.

RULE 16 - CSD 145 and 435 Assignment

A. Procedures of Assignment:

When specific cars covered by CSD 145, and 435 series are assigned to a shipper for its use, such assignment shall be made subject to the following conditions:

1. Shipper must request in writing of originating road haul carrier(s) assignment at least ten (10) days before its intended use of a specific number of cars. If originating carrier(s) agrees to such assignment but desires other road haul carriers to participate in assignment, it will advise shipper accordingly and make request on such other carriers. A road haul carrier may assign cars but must have the concurrence of the originating carrier which may or may not be a switching carrier.
2. Pools of assigned cars including cars of ownership other than the originating road haul carriers may be expanded only upon the acceptance by the originating road haul carriers.
3. When cars are assigned in accordance with this Rule, they will remain and be treated as assigned cars until the shipper, originating road haul carrier(s), pool operator or owning railroad serves notice that such assignment is modified or canceled. One day written notice is sufficient.

B. Handling of Empty Assigned Cars:

All assigned cars are exempt from Car Service Rules 1 and 2. Cars assigned to a shipper will not be held empty en route to loading point except as follows:

1. Upon written instructions of assignee.
2. When assignee cannot immediately accept on arrival at loading point and cars cannot reasonably be held on other tracks at loading points, the following applies:
 - a. Assigned cars, except those cars assigned to national customer pools, can only be held enroute on the railroad that is the carrier to which the pool is assigned (pool operator).
 - b. Cars assigned to a national customer pool may only be held enroute on railroads that are subscribers to that pool.
 - c. Car Hire Rule 15 applies to any assigned car that intermediate railroads in the route or the pool operator cannot accept in interchange.
3. For necessary repairs (not cleaning).

C. Reporting of Assignment:

Assignment by a carrier of specific cars for the use of a shipper at a particular point must be reported by the Designated Pool Reporter to Business Services of the Association of American Railroads. This reporting must comply with the formats and time limits prescribed in the UMLER Data Specification Manual. Business Services of the Association of American Railroads will maintain a current record of cars assigned and distribute such information to car owners assigning cars to a specific shipper at each location, as well as to the roads originating traffic from such assignment, including originating switching line serving the shipper involved. The foregoing provisions of this paragraph need not apply when all cars assigned to

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the use of a shipper at a particular point are system cars of a single road haul carrier serving the shipper at such point.

D. Designated Pool Reporter:

Assignment by a carrier of specific cars covered by CSD 145, and 435 series to agency or commodity pools must be reported by the Designated Pool Reporter to Business Services of the Association of American Railroads. This reporting must comply with the formats and time limits prescribed in the UMLER Data Specification Manual. The foregoing provisions of this paragraph need not apply when all cars assigned to an agency or commodity pool are system cars.

INTERPRETATION

Question: Can a haulage rights carrier (tenant) create UMLER 16-C pools for shipper, agent, contaminated and commodity pools?

Answer: Yes.

RULE 17 - Arbitration Committee

To render formal interpretations of these rules and to settle disputes arising under them, the Operations General Committee, O & M Department, shall act as an Arbitration Committee. Members representing a majority of the total votes of the Operations General Committee's membership shall be present to constitute a quorum.

In the event any question or dispute arises concerning these rules, it may be submitted to the Arbitration Committee in abstract through the Secretary, Business Services. The abstracts shall briefly set forth the matter to be interpreted, or the points at issue in the instant dispute and each party's interpretation of the rules, orders or directives upon which its position is based. The Arbitration Committee shall base its decision upon the rules and the abstracts submitted. Should one of the parties refuse to participate,

the Arbitration Committee will consider the case on the basis of the information submitted by the participating party. In case a question shall arise not covered by the rules, the parties disagreeing may, by mutual consent, submit such questions to the Arbitration Committee. Any expenses incurred by the Arbitration Committee shall be divided equally between each of the parties to the dispute. The decision of the Arbitration Committee shall be final.

RULE 18 - Interpretations & Revisions

A. General

The Equipment Assets Management Working Committee, Association of American Railroads, shall have authority to informally interpret these rules, and to make recommendations for changes or revisions thereto to the Operations General Committee, Association of American Railroads. Upon approval by the General Committee, such changes or revisions to these rules will be submitted to the Subscribers for vote by letter ballot (one vote for each revenue freight car bearing railroad reporting marks which is owned or controlled by Subscribers, with an affirmative majority vote of all Subscribers' freight cars necessary for approval).

B. Classification Status

For the purpose of these rules, all subscribing railroads shall be deemed to have a status of either Class I, II or III, based on such subscribing railroad's annual operating revenue as set forth in the classification rules of the Surface Transportation Board (49 CFR Part 1201 1-1, and any amendments thereto). With respect to subscribing railroads whose operating revenue is generally calculated in non U.S. currency, for the purpose of these rules, the value of such railroad's operating revenue shall be the operating revenue as reported at the end of such railroad's reporting year (calendar or otherwise) converted to U.S. dollars in accordance with the applicable currency conversion rate reported in the Wall Street Journal as of the last business day of the applicable reporting year.