

Tariff: VRS 7000-A

VERMONT RAIL SYSTEM

CLARENDON & PITTSFORD RAILROAD
GREEN MOUNTAIN RAILROAD
NEW YORK & OGDENSBURG RAILWAY
VERMONT RAILWAY
WASHINGTON COUNTY RAILROAD

FREIGHT TARIFF VRS 7000-A (Cancels VRS 7000)

SUPPLEMENTAL SERVICES AND CHARGES

APPLICABLE AT POINTS ON VERMONT RAIL SYSTEM

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SECTION 1 - RULES AND REGULATIONS

ITEM 100 - GOVERNING CLASSIFICATION

The term "UFC 6000" when used herein means Uniform Freight Classification UFC 6000 series, National Railroad Freight Committee, Agent.

ITEM 105 - STATION LIST AND CONDITIONS

Tariff governed by the "OFFICIAL LIST OF OPEN AND PREPAY STATIONS", OPSL 6000 series, published by Railinc Corp., for additions or abandonments of stations for prepay requirements, changes in names of stations, restrictions as to acceptance or delivery of freight, and change in station facilities.

ITEM 110 - PAGE REVISIONS

Unless otherwise provided, the amendment of a page will be made by reprinting the page and showing a revision number. The revision numbers will be used in consecutive order beginning with the "1st Revised Page". A revised page cancels previously issued pages bearing the same page number.

ITEM 115 - REFERENCE MARKS

In cases where reference marks are shown directly against a station, rate or rule, the revision applies only against that specific portion of the item.

ITEM 120 - REFERENCE TO TARIFFS, ITEMS, NOTES, RULES, ETC.

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

ITEM 125 - CURRENCY

Except as otherwise specified the charges contained herein will be assessed in the currency of the United States of America.

ITEM 130 - CAPACITIES AND DIMENSIONS OF CARS

For marked capacities, lengths, dimensions and cubical capacities of cars, see "Official Railway Equipment Register", STB RER 6412 series, R.E.R. Publishing Corporation, Agent. For gallon capacities of tank cars, see tariff WTL 6300 series.

SECTION 1 - RULES AND REGULATIONS

ITEM 135 - DEFINITION OF BULK FREIGHT

Bulk freight includes such commodities as are loose or in mass and must be shoveled, scooped or forked in the handling, and that which is neither in packages nor in units of sufficient size to be readily handled piece by piece.

ITEM 140 - DEFINITION OF EXPORT AND IMPORT TRAFFIC

Export Traffic: Rates will apply on traffic consigned through to all destinations not located in the continental United States of America (including Alaska), Canada or Mexico provided such traffic will not be trans-shipped at any other United States, Canadian or Mexican port from an inter-coastal vessel to an ocean vessel.

Import Traffic: Rates will apply on traffic ex ship, received from all origins not located in the continental United States of America (including Alaska), Canada or Mexico provided such traffic will not be trans-shipped at any other United States, Canadian or Mexican port from an inter-coastal vessel to an ocean vessel.

ITEM 145 – REGULATIONS AND CHARGES APPLICABLE ON DIMENSIONAL LOAD TRAFFIC

Charges named in this tariff will not apply in connection with traffic of exceptional dimensions or weight. Rates for these movements must be requested from VRS's Marketing Department. Dimensional traffic may be handled subject to certain restrictions as determined by VRS's clearance bureau. Additional work performed by VRS to facilitate the line haul movement of dimensional traffic is chargeable and is in addition to the line haul charges. These services may include the removal and replacement of tilt switch stands, targets, dwarf signals, reinforcing of bridges or track, as well as any extra work that may be required to ensure the safe handling of traffic. If for safety reasons, VRS representatives are required to accompany the dimensional shipment additional charges will be assessed for this service. The charge to remove and to replace the tilt switch stand target or dwarf signal is \$500.00. The charges assessed for all other services will be based on actual costs incurred by VRS.

ITEM 150 - LIABILITY OF CARRIER

Standard carrier liability will apply, except as otherwise specified in individual tariffs and contracts.

SECTION 1 - RULES AND REGULATIONS

ITEM 155 - REFERENCE TO VERMONT RAIL SYSTEM COMPANY (VRS)

VRS as used in this tariff shall be understood to mean:

"VERMONT RAIL SYSTEM" in its own name, and for and on behalf of VTR, GMRC, CLP, WACR, NYOG

ITEM 160 - DISTANCE RATES

In computing distance rates on the VERMONT RAIL SYSTEM Company, distances shown will be those contained in lawfully published VRS mileage tariffs or mileages as determined by ALK PC Miler – Rail Version 16 or subsequent.

ITEM 165 - APPLICATION OF THIS TARIFF

The provisions of this tariff will not supersede those published in other VRS contracts which are specific to either customers or locations on VRS.

ITEM 170 - TEAM TRACK USAGE

Existing team track service, including loading/unloading platforms and other structures, are available for use by shippers for non-hazardous commodities only on a pro-rata share usage basis, at the sole cost, risk and expense of customers using the team track facilities. By using such facilities, customers agree to indemnify, defend and hold harmless VRS from all claims, costs, and expenses, and to assume all risk, responsibility and liability for death, personal injury, or property damage arising from, related to, or in any manner caused by, in whole or in part, the use of such team track facilities.

ITEM 175 - LUMBER AND LUMBER PRODUCTS - RETURN OF DUNNAGE IN SHIPPERS' OWNED, LEASED OR ASSIGNED CARS

When shipper at his expense, provides and installs inflatable dunnage, plywood and corrugated board dunnage, fiberboard pads, charcoal or methanol heaters, nylon strapping, insulated blankets or wooden gates to secure and protect carload shipments, the charges on the inbound movement shall include the return of the dunnage in shippers' owned, leased or assigned car subject to the following conditions:

SECTION 1 - RULES AND REGULATIONS

ITEM 175 Continued:

1. The nylon strapping, insulated blankets, plywood and corrugated board dunnage, fiberboard pads, inflatable rubber dunnage (completely deflated), and wooden gates must be tied securely into bundles, marked and tagged showing the origin point of the shipment as the return destination.
2. The charcoal or methanol heaters must be marked and tagged, showing the origin point of the shipment as the return destination.
3. The consignee or shipper must certify on the bill of lading covering the return that the nylon strapping, insulated blankets, inflatable rubber dunnage, fiberboard pads and plywood, corrugated board dunnage, and wooden gates was received in revenue rail movement.
4. The shipper or consignee must show the weight of the dunnage from the inbound shipment. Any weight of the dunnage in excess of the allowance authorized by Rule 30 of the governing classification on the carload shipment will not be returned under the charges of the inbound movement but will be charged at the applicable tariff rate of the dunnage.

SECTION 2 – EQUIPMENT: ORDERING, USAGE AND RENTAL

ITEM 200 - UNAUTHORIZED USE OF RAILWAY EQUIPMENT

1. After the original freight from a shipment has been unloaded from a railway owned and/or controlled car on customer's property, it is strictly forbidden to reload the railcar for intra-plant movement of materials without written authorization from VRS.
2. VRS reserves the right to physically inspect railway owned and controlled equipment on customer's property at any time.
3. When an empty railway owned and/or controlled car is ordered and furnished by VRS for its line haul shipment, it is strictly forbidden to route the car from origin via a carrier other than VRS. This restriction applies to all railway owned and/or controlled equipment. If a shipper loads such a railway owned or controlled car and the car does not move via a VRS route in which VRS participates as a line-haul carrier, the shipper will be assessed a charge of \$1,050 per car for such an occurrence.
4. Any occurrence found that railway owned and/or controlled equipment is being used without VRS' consent will be subject to a penalty charge of \$1,050 payable by the party in default. This will include any situation where a shipper bills a carload for an initial VRS line-haul revenue movement in a car that is owned, leased or controlled by a railroad other than VRS and that shipper had not received permission from that railroad to load such car, or if that shipper received permission and did not so advise VRS at the time of billing, then VRS may assess the shipper a charge of \$1,050 per car for such an occurrence.
5. In those situations where cars are released from storage status, as detailed under Item 1450 of Tariff VRS 6000, to an industry where VRS did not participate in the previous line-haul revenue movement or where VRS does not participate in the subsequent line-haul revenue movement and unless it is otherwise indicated in a customer rail car storage agreement, the customer or party to the agreement {i.e. car owner, lessee, shipper or receiver} will be assessed a switching charge of \$525.00 per car. NOTE: The charges detailed above are in addition to any other charges which may be due from the shipper and/or party responsible for the car.

ITEM 205 - CARS ORDERED AND NOT USED

If an empty car of private ownership or control is ordered for placement and the service of placement or constructive placement is performed and the car is subsequently released without being loaded, a charge of \$365 will be assessed. When an empty car of railway ownership or control is ordered for loading and the

SECTION 2 - EQUIPMENT: ORDERING, USAGE AND RENTAL

ITEM 205 Continued:

service of actual or constructive placement is performed and the car is subsequently released without being loaded, a charge of \$365 will apply (note – this charge will not apply if the car is confirmed to be unsuitable for loading). In the case of heavy duty flat cars, a charge of \$505 will be applied on cars ordered, placed or constructively placed and subsequently released without being loaded. If, after a heavy duty flat car is ordered for loading the order is canceled but the car has been assigned to the prospective movement but not placed or constructively placed, a charge of \$150 per car will apply. **These charges will be in addition to any car usage charges assessed by car owner.**

ITEM 210 - CLOSURE OF GATES AND HATCHES (APPLICABLE TO COVERED HOPPERS ONLY)

The unloader of a covered hopper car (railway owned/controlled or private) must close and secure all gates and hatches. When a hopper car is released to VRS with open gates and/or hatches, VRS will provide written notice to the unloader of this occurrence. Following this notification, VRS will assess a \$300 charge against the unloader for all subsequent occurrences where a hopper car is released with open gates and or hatches. This charge is in addition to all other applicable transportation and supplemental service charges.

ITEM 215 - CAR CLEANING (APPLICABLE TO BOXCARS ONLY)

All boxcars, which are released to VRS as empty, must be clean and in a condition which is suitable for immediate reloading. In those cases where a boxcar is released empty and returned to VRS in a condition, which is unsuitable for immediate reloading, VRS will assess the previous unloader a charge of \$300. This charge is in addition to all other applicable transportation and supplemental service charges.

NOTE: The unloader of a boxcar must remove all lading and non-railway owned dunnage, blocking, bracing, strapping or other material not part of the inbound shipment unless otherwise provided by the applicable price publication.

ITEM 220 - MECHANICAL DESIGNATION OF CARS

For mechanical designation of cars, see the Official Railway Equipment Register, RER 6412 series, issued by the National Railway Publication Company. If a car of Trailer Train Company ownership is NOT listed in this item but is listed in the HEAVY DUTY AND SPECIAL FLATCAR section of RER 6412, the user charge

SECTION 2 - EQUIPMENT: ORDERING, USAGE AND RENTAL

ITEM 220 Continued:

will be in accordance with the car type, size, tonnage and number of axles as shown therein.

ITEM 225 - APPLICATION OF USER CHARGES/FEEES ON SPECIALIZED EQUIPMENT

All applicable USER CHARGES/FEEES assessed by car owner for the use of heavy duty and specialized equipment are in US Funds for movements in the United States. Charges will be payable by the freight responsible party unless otherwise agreed in writing between VRS and customer/shipper/consignee as the case may be.

SECTION 3 - RELEASE REQUIREMENTS AND DOCCUMENTATION

ITEM 300 - NON-AVAILABILITY

In the event that a car is released to VRS or requested from VRS as indicated herein and it is not available at the time of pull, or it cannot be supplied/spotted due to any reason attributable to the customer, a charge of \$160 per affected car will apply subject to a maximum charge of \$2,000 per customer occurrence.

ITEM 305 - RELEASE REQUIREMENTS AND DOCUMENTATION - BILL OF LADING INFORMATION REQUIREMENTS

The shipper must provide VRS with a bill of lading (BOL) before VRS is obliged to move the car for furtherance. Bill of Lading/Shipping Instructions can be provided via the following means:

- EDI 404
- Internet Shipping Instructions (ISI) found in Steelroads (www.steelroads.com) - File Transfer Protocol (FTP)
- Fax
- Email
- Rail Connect EBOL through RMI RailConnect website

The Bill of Lading must contain the following data elements (see Notes):

Standard Transportation Commodity Code (STCC)

Commodity description along with total number of pieces and package type

Net weight in lbs or tons and unit of measure

Car initial and number

Shipper's name and full address

Consignee's name and full address

Party Responsible for Payment of Freight Charges

Payment Method Code (Prepaid, Collect, or 3rd Party)

R11 or Through Rate and term (per car, per ton per cwt)

Rate Publication Authority

Origin and Destination Stations and Route with Junctions

Load or empty status

All seal numbers affixed to cars

For Dangerous Goods:

Hazardous Materials Information

UN number

Emergency response plan 24-hour telephone number

SECTION 3 - RELEASE REQUIREMENTS AND DOCCUMENTATION

ITEM 305 Continued:

Transborder and dangerous goods shipment information must meet all U.S. and Canada regulatory requirements to be considered complete. Please consult with the applicable government departments to ensure compliance in accordance with federal regulations.

ITEM 310 - BILL OF LADING - DATA QUALITY – CHARGE

If a Bill of Lading received by the carrier is incomplete or incorrect, and requires intervention by VRS and/or verification with the shipper before the execution of the Bill of Lading, or after, during the creation of a freight invoice, VRS reserves the right to assess to the shipper or payer of freight a charge of \$30.00 per equipment ID.

NOTE: In those cases where the Bill of Lading information received by VRS is either incomplete or incorrect and this prevents VRS from continuing and/or completing the movement, the shipper will be assessed the charges detailed under Item 315 of this tariff rather than the \$30.00 charge detailed in this Item 310.

ITEM 315 - ASSESSMENT OF CHARGES

When on shipper's orders, {a} loaded cars or {b} empty cars which last contained hazardous goods, are removed from the industry or team track without complete Bill of Lading instructions, or in connection with loaded cars or empty cars which last contained hazardous goods, are received in interchange without complete Bill of Lading instructions, VRS will move the car to the first available staging area, provided the movement would not cause VRS to be in violation of any existing TDGR or 49CFR regulations. If, at any time after the car is in VRS's possession, the lack of complete Bill of Lading instructions provided are insufficient to continue the movement, the shipper {see note 1 below} will be assessed a charge of \$420.00 and all applicable demurrage, storage or detention charges will apply until such time as the Shipper provides VRS with complete Bill of Lading instructions which allows VRS to continue the movement. For multiple car shipments, the maximum charge under this item is:

\$5,000 for shipments of 25 cars or less;

\$6,000 for shipments greater than 25 cars but not exceeding 50 cars; and

\$7,500 for shipments exceeding 50 cars.

SECTION 3 - RELEASE REQUIREMENTS AND DOCCUMENTATION

ITEM 315 Continued:

NOTES:

1. Unless otherwise agreed to in writing, the party responsible for the charges will be the SHIPPER INDICATED ON THE ORIGINAL BILL OF LADING.

The party will be responsible for the charges regardless of whether they were responsible for physically loading the cars, whether the original Bill of Lading is changed to indicate that another party is the shipper. Charges will be assessed in US currency regardless of the country from which the shipment originates.

SECTION 4- LOADING AND UNLOADING

ITEM 400 - LOADING AND/OR UNLOADING CARLOAD FREIGHT

VRS is not obliged to load or unload any carload freight, nor is VRS obliged to arrange for or in any way provide assistance in the loading or unloading of carload freight.

1. If VRS agrees to perform this service, the charge shall be actual cost of labor and material, including the use of specialized equipment such as cranes or derricks, plus 25% processing fee, subject to a minimum charge of \$550.
2. If VRS agrees to arrange for this service to be performed by another party, the charges will be those of the party performing the service, plus a 25% processing fee. Customer requesting the loading or unloading service will be fully responsible for all such charges.

ITEM 405 - LOADING AND SECUREMENT OF LOADS, CHARGES FOR FURNISHING LABOR AND MATERIALS FOR SHIPMENT ADJUSTMENTS

REQUIREMENTS FOR SHIPPERS TO PREPARE SHIPMENTS FOR TRANSPORTATION ON VRS FOR CARLOAD FREIGHT SERVICE:

Shippers are responsible to adequately secure and prepare a shipment for safe transportation and, when applicable, in accordance with VRS designated loading and securement specifications, the Association of American Railroads Open Top and Closed Car Loading Rules and Standards, Transportation of Dangerous Goods Regulations or other regulatory requirements. VRS maintains the right, without obligation to inspect a shipment for compliance to those requirements. VRS is not obliged to supply any labor or securement material. VRS will not be responsible for loss or damage to lading and/or equipment caused by failure of the shipper to properly load, block, brace or secure a shipment. VRS reserves the right to return to the Shipper any shipment that does not conform to the loading or safety requirements subject to all applicable charges. For assistance, questions or instructions on proper blocking and bracing methods, please contact your VRS representative.

LOADING ASSISTANCE OR SHIPMENT ADJUSTMENT WHILE IN VRS CONTROL IN CARLOAD FREIGHT SERVICE: When requested by the Shipper to furnish labor and materials for the purpose of a Shipment Adjustment to comply to the requirements of proper loading or the prevention of product loss in transit as defined above the shipper shall be responsible for the actual cost of

SECTION 4 - LOADING AND UNLOADING

ITEM 405 Continued:

labor and material plus a 25% processing fee, subject to a minimum of \$550; and, the cost of repair required to damaged, equipment or units that is attributable to the exception. Shipment Adjustment is defined as a shipment that requires transferring, adjusting, securement or repackaging while being transported in Carload Freight Services by VRS. Adjustments include but are not limited to transferring lading from or adjusting lading within its original transport equipment or to replacement equipment, in order to provide proper weight distribution, to correct non-compliance loading issues, to adjust a load shift, to apply or reapply blocking and bracing material, and/or install mandatory blocking and bracing or to make the shipment or transport equipment or unit safe for further movement. The cost as outlined above will also apply when VRS is required to rectify non-conformance in emergency situations when advance notice cannot be provided to the shipper. In those instances where the shipper can and is able to arrange to perform required shipment adjustments or with a contractor of their choice and such work will be performed on railway property, that work must be done with the knowledge of VRS and in accordance with all VRS safety policies. Shippers will also be required to provide the action plan to VRS's designated representative to ensure compliance with these and all appropriate safety requirements.

ITEM 410 - LOADING OR UNLOADING OF HAZARDOUS MATERIALS

VRS will not permit hazardous or dangerous commodities to be loaded or unloaded at public delivery or team tracks. This policy includes all bulk shipments, or shipments in containers which exceed 110 gallon capacity of hazardous materials, substances or wastes, as described in The Directory of Hazardous Materials Shipping Instructions.

ITEM 415 - NON-ACCIDENTAL RELEASE OF HAZARDOUS MATERIALS

VRS will assess a charge of \$1,000 per car for the handling of cars loaded with or containing residue of Dangerous Goods/Hazardous Substances that are found to be leaking and must be moved to an isolation track for securement. This charge will be assessed to the shipper on the bill of lading and it includes all switching and demurrage charges but it excludes the securement charges as detailed under Item 405.

SECTION 5- WEIGHING AND OVERLOADING

ITEM 500 - DEFINITION OF ACTUAL WEIGHT

Except as otherwise provided herein, or in any applicable weight agreement, classification, or specific price publication, the actual weight of any shipment certified by the carrier and ascertained in accordance with the provisions of this Tariff shall be considered valid for the assessment of freight charges.

For the assessment of freight charges, no scale weight shall be used unless obtained on a government inspected and approved scale; and in accordance with the methods and procedures recommended by VRS.

- A) Where possible, VRS will obtain the actual or approximate weights of all shipments. If no weights are available, shipments will be billed on the maximum capacity of the car.
- B) Customer provided weights are subject to correction by VRS or partner railways, unless shipments are moving under an authorized weight agreement. However, VRS reserves the right to refuse the weight provided by the customer if it is found at any time that correct weights are not being provided.
- C) If shipments are moving under a weight agreement, all shipping documents must show the applicable weight agreement number.

ITEM 505 - CUSTOMER REQUESTED WEIGHING

- A) Where practicable, VRS will weigh or reweigh cars as requested by customers.
- B) VRS is not obliged to perform this service.
- C) Requests must be made in writing, by Fax, email, electronically or via EDI.
- D) When weighing is accomplished, it will be subject to all applicable rules and charges indicated herein.

ITEM 510 - ASSESSMENT OF FREIGHT CHARGES

Except as otherwise provided herein, or in any applicable weight agreement or governing price publication, the weight for assessment of freight charges for any carload shipment shall be the actual weight or specified minimum carload weight.

SECTION 5 - WEIGHING AND OVERLOADING

ITEM 515 - CORRECTION OF BILLING TO TRACK SCALE WEIGHTS

Where cars have been weighed by the carriers and are re-weighed or check weighed at the request of the consignor or consignee and a weight difference is found in excess of the allowable tolerance provided in this tariff, VRS reserves the right to assess freight charges based on the higher weight.

ITEM 520 - WEIGHTS TO GOVERN (AND TOLERANCE) AT SHIPPING OR SCALING POINT

A) Tolerance is to be known as the difference in weights due to variation in scales or weighing, which may be permitted without correction of the billed weight. Where lading, the weight of which is not subject to change from its inherent nature, is re-weighed en route or at destination, no correction will be made in the billed weight except as provided herein.

B) When track scaling by VRS or partner railway, if the difference between the shipper's bill of lading weight and weight obtained by track scaling does not exceed the tolerance allowance provided herein, no change will be made in the billed weight.

C) Tolerances:

1. ALL FREIGHT- Carrier shall not be responsible for loss due to natural shrinkage. When liability is established, the following provisions will apply: One eighth of one percent (0.125%) of total weight contents of the car shall be deducted from the loss in weight. This deduction represents reasonable shrinkage due to evaporation or other natural causes and is due to be made from shipping weights.

ITEM 525 – APPLICATION OF WEIGHING CHARGES

A) When weights are obtained for the assessment of freight charges, no charge will be made for weighing. When weighing or re-weighing of a car is at customer's request, this provision will not apply.

B) When cars are weighed or re-weighed at the request of a customer, charges for weighing will apply when:

1. Shipment charges are based on fixed or minimum weights in governing price publications for which a customer has already been invoiced and provided with the applicable minimum weight.

SECTION 5 - WEIGHING AND OVERLOADING

Item 525 Continued:

2. Traffic is covered by a weight agreement.
3. Cars containing a commodity where weights are NOT subject to change in transit, are re-weighed and the second track scale reading is within 2% of the original track scale weight.
4. Cars containing a commodity where weights are subject to change in transit, and have been weighed by VRS and are re-weighed and found to be in excess of allowable tolerances.
5. Tank cars are weighed empty (inbound or outbound).
6. Cars are weighed empty (excluding tank cars) for the actual weights and the differences between the marked tare weight and the actual tare weight is 500 lbs. or less.
7. Cars are weighed empty for the actual tare weight before loading and are re-weighed for actual tare weight after unloading.
8. On cars from which the entire previous lading and packing have not been removed, except on open top gondola cars weighed immediately before being loaded with scrap metals or immediately following a line haul movement of scrap metals.

ITEM 530 - CHARGES FOR WEIGHING OR RE-WEIGHING

When a car is weighed or re-weighed by VRS at the request of the customer the applicable charges indicated herein will be assessed each time the car is weighed. Weighing at railway owned or controlled scales: \$200 per car per weigh (See NOTE). Weighing at privately owned or controlled scales: \$250 per car per weigh (See NOTE).

NOTE: All applicable Intra-plant or Intra-terminal switch charges will be applied in addition to the weigh charges named herein. In the event the car must be moved outside the switch limits to accomplish the weigh, the applicable out of line haul or published line haul charge (whichever is lower) will also be applied.

ITEM 535 - CARS OVERLOADED OR IMPROPERLY LOADED

An overloaded car is defined as a railcar for which either the net weight (actual weight of freight including all other materials incidental to the movement of the

SECTION 5 - WEIGHING AND OVERLOADING

goods) is in excess of the car's authorized load limit (defined as the stenciled "load limit" on the car), or the gross weight (combined weight of railcar and freight including all other material incidental to the movement of the goods) is in excess of (1) Total weight on rail (TWR) shown in the UMLER file or (2) the track weight limitations at any point along the route of movement.

CHARGES APPLICABLE ON CARS OVERLOADED OR IMPROPERLY LOADED:

1. **AT POINT OF ORIGIN:** If a car is found to be overloaded or improperly loaded, it will not be permitted to go forward. The shipper will be notified and required to adjust the freight or to transfer the excess weight from the car. Shipper will be assessed the applicable Intra-plant, Intra-terminal or Inter-terminal switch charge subject to a maximum of \$500.
2. **WHILE IN TRANSIT:** If an overload exceeds the tolerance permitted, such car must be referred to the VRS Clearance Officer for authorization of movement, it must be reduced or adjusted at the shipper's expense. VRS reserves the right to clear the overloaded car and allow it to move to destination without reducing and/or adjusting it. However, the applicable tariff charges will be in place. In either situation, VRS will notify the shipper of the overloaded car in question. This notification will indicate the car number, contents, location, actual gross weight and acceptable gross weight. For overloads that are beyond the allowable tolerances of the car: Shipper must provide VRS with complete written instructions for the removal of the excess freight within 48 hours of this notification, including weekends and holidays. The removal and disposal of the overloaded portion of the contents of the car is entirely the responsibility of the shipper. In the event shipper fails to provide VRS with written instructions for the removal of the excess freight within 48 hours of notification, VRS reserves the right to arrange for the removal and disposal of the overloaded portion of the contents at full cost to the shipper. Each overloaded car will be subject to a charge of \$550 in addition to applicable switching (subject to a maximum of \$500 per switch) and demurrage charges. These charges are the responsibility of the shipper. (See NOTES)
3. **AT DESTINATION:** If a car is discovered to be overloaded at destination, each overloaded car will be subject to a charge of \$550 in addition to applicable switching (subject to a maximum of \$500 per switch) and demurrage charges. These charges are the responsibility of the shipper. (See NOTES)

SECTION 5 - WEIGHING AND OVERLOADING

NOTE 1: In addition, all overloads detected enroute or at destination will be assessed additional charges predicated on the amount the car is overloaded:

Up to 1000 lbs: VRS reserves the right to move the car if it can be determined the car can be safely moved. This determination will be made on a case by case basis and is subject to a charge of \$250 per car.

\$500 per car first occurrence; \$1000 per car second occurrence

1000 to 4000 lbs: \$500 per car first occurrence; \$1000 per car second occurrence

4001 to 8000 lbs: \$1000 per car first occurrence; \$2000 per car second occurrence

8001 to 12000 lbs: \$1500 per car first occurrence; \$3000 per car second occurrence

Over 12001 plus : \$2000 per car first occurrence; \$4000 per car second occurrence

NOTE 2: If VRS personnel perform any work adjusting, transferring or removing the freight from the car, the shipper will be responsible for the actual cost of such work plus an additional 25% for processing charge.

NOTE 3: Shipper will indemnify VRS from liability for any loss of life, personal injury or damage to property as a result of the overloading or improper loading of railway equipment. A car is found to be improperly loaded if it has a concentration of lading resulting in the maximum weight on rail of any truck or the total weight on rail of any car or the track limitations at any point enroute being exceeded. All loading, bracing, and blocking must comply with the applicable, Association of American Railroad's pamphlet or general information series publication or modification approved by VRS prior to shipment. Shippers are required to take all necessary additional steps to protect their product and the equipment being used during rail transportation. In the event of a load shift, derailment or equipment damage, when it is determined by rail carriers that there was insufficient or improper loading, bracing or blocking, the shipper shall be responsible for all expenses, including the repair of damaged equipment (including complete loss of use), loss or damage to cargo, transfer services and derailment costs. In addition, all charges, administrative, civil fines, storage and demurrage are due and payable in full before the railcar or the cargo will be released.

NOTE 4: In addition to the above charges, if a grossly overloaded car is detected enroute on VRS track and, as a result, it necessitates an inspection of the bridges over which the car has passed due to the potential for compromising the integrity of the bridges a penalty of \$5000 will be assessed to the freight responsible party. In addition, the freight responsible party may be liable for the cost of any bridge repairs required as a result of overloading a car(s) in excess

SECTION 5 - WEIGHING AND OVERLOADING

of the allowable load limit of the car or the track over which it is intended to pass.

NOTE 5: When a car is loaded beyond its maximum carrying capacity or allowable weight on rail and partial unloading is required, the lading will, when practicable, be transloaded to another suitable car. The second car will be charged at actual weight and carload rate from point of origin to destination.

NOTE 6: Overloaded cars will be subject to VRS demurrage rules until corrective action is taken.

ITEM 540 - WEIGHT AGREEMENTS

1. VRS will accept the shipper's billed weights provided the waybill bears reference to the shipper's weight agreement. Weights authorized by other Canadian and U.S. carriers will be accepted provided the waybill bears reference to the applicable Weight Agreement number.

2. The shipper will certify to the carrier, the correct gross weight of the shipment, along with the weight agreement number, on the shipping order and bill of lading. If the shipper does not reference the shipping order and bill of lading with the Weight Agreement number or does not include the proper weight, the shipment will be treated as though no weight agreement exists.

3. Weight agreements do not apply on shipments that are "Stopped-in-Transit" to complete loading, unless the shipper at origin and at the "Stop-Off" point are party to a weight agreement for the commodities shipped.

4. When destination weights are authorized by an inbound weight agreement, the consignee must report the correct weights to the VRS or partner railways. Shipment should be waybilled at estimated weights and the waybill endorsed:

"DO NOT WEIGH - Destination Weight Agreement to apply:"

5. When VRS is origin line haul carrier and a shipment requires weight to be ascertained at origin by way of consignor's weight agreement, consignor must furnish weight to VRS by the third 12:01 AM following the day that the car which contains the shipment is released loaded. Weight must be furnished or confirmed in writing, by Fax or by EDI. Following the third 12:01 AM, a charge of \$50 per car per day or fraction thereof will be assessed to the consignor until the weight is furnished.

SECTION 5 - WEIGHING AND OVERLOADING

ITEM 540 Continued:

6. When VRS is destination linehaul carrier and a shipment requires weight to be ascertained at origin by way of consignor's weight agreement, consignor must furnish weight to VRS by the third 12:01 AM following the day that the car which contains the shipment is released empty or by the fifth 12:01 AM following placement, whichever is earlier. Weight must be furnished or confirmed in writing, by fax, email or by EDI. Following the time allowances specified above, a charge of \$50 per car per day or fraction thereof will be assessed to the consignor until the weight is furnished.

SECTION 6 SWITCHING RULES, REGULATIONS AND MISCELLANEOUS CHARGES - ALL STATIONS

ITEM 600 - GENERAL RULES AND APPLICATION

No charges will be assessed for the initial delivery of cars to private sidings or industries located on VRS tracks when for loading or unloading carload freight provided VRS has or will participate in the linehaul movement.

Switching charges, unless otherwise specified, cover the handling of loaded cars in one direction and empty the other. If a car is loaded in both directions, the applicable switching charge will be assessed on each loaded movement. For any other movement of empty cars, including cars moving under mileage provisions per governing tariffs, to or from repair car facilities, the charge will be the same as applied to a loaded car.

When shipments transported in switch service require two or more cars because of weight or height, charges will be assessed on each car used. This will also apply in the case of articulated equipment.

Charges for intra-plant, inter-plant/intra-terminal and inter-terminal switching will apply on cars having no more than four (4) axles. When cars with more than four (4) axles are switched, the charges will be 200% of the charges named herein for the same movement.

ITEM 605 - ABSORPTION OF SWITCHING CHARGES

1. Where provisions state that other roads switching charges will be absorbed, VRS will pay the switching carrier their lawfully published charge.
2. Any carrier's switching charges not absorbed by VRS will be assessed against the party paying the line haul transportation charges.
3. Absorption provisions specific to movements governed by and published in other tariffs will take precedence over the provisions of this section.
4. VRS will not absorb switching charges under the following conditions:
 - A) Shipments for which VRS does not receive line haul revenue
 - B) Shipments moving under rates which provide that switching charges will not be absorbed.

SECTION 6 SWITCHING RULES, REGULATIONS AND MISCELLANEOUS CHARGES - ALL STATIONS

ITEM 605 Continued:

- C) When an intermediate switch road is used to effect interchange with another railroad with which VRS maintains a direct interchange at the same station or switching district.

ITEM 610 - SWITCHING OF CARS TO PERMIT UNLOADING - ALL STATIONS

All railcars must be properly loaded by a shipper in such a manner that unloading can be accomplished from either side of the equipment.

When a customer requests that VRS turn a car(s) for the purpose of unloading, VRS will bill the requestor \$250 for each car that VRS turns.

ITEM 615 - INTERCHANGE ERROR MOVEMENTS:

Cars loaded or empty, received by VRS in error or without forwarding instructions from the delivering carrier, will be returned to the delivering carrier or forwarded to the proper connecting carrier within the same switching district at a per car charge of \$435. This charge will be assessed against the delivering carrier.

NOTE: In a case where VRS is the delivering carrier and an interchange error occurs because of incorrect billing information supplied by the shipper, the shipper will be assessed the charge noted above plus a \$40 processing fee.

ITEM 620 - ADDITIONAL SWITCHING OF BONDED FREIGHT

When it is necessary to place cars for inspection by Customs Officers, resulting in additional switching, the charge per car will be the applicable intra-terminal switch charge.

This includes cars held for customs clearance at destination, which requires additional switching than would otherwise have been required if the car was cleared prior to arrival.

ITEM 625 - SWITCHING BETWEEN YARDS AND REPAIR TRACKS

Any private and/or railway owned or controlled railcar destined to a VRS operated repair facility located on VRS which cannot, for reasons not attributable to VRS, be placed at the repair facility following arrival at a VRS yard location serving the repair facility and following notification by VRS that the car is available for delivery to the repair facility, will be subject to the demurrage and

SECTION 6 SWITCHING RULES, REGULATIONS AND MISCELLANEOUS CHARGES - ALL STATIONS

ITEM 625 Continued:

storage tariff provisions including the daily storage rates as detailed in Tariff VRS 6000. A privately owned railcar which has been found to require repairs after VRS has placed the car on a customer's siding and the customer has informed the VRS Agent in writing that they now require VRS to move the car to a private track within that customer's facility, will be assessed an intra-plant switch charge of \$250.00 on the movement for both directions from and to the customer's loading and/or unloading track.

ITEM 630 - ASSESSMENT OF CHARGES TO SWITCH TANK CARS TO HEAT SERVICE FACILITIES OR CLEANING FACILITIES

Carload freight in tank cars. When at the request of the consignor or consignee where facilities are available, car is placed at heating plant for heating service, or cleaning the charge will be \$250 per car. This charge will be in addition to any local freight rate which may apply depending on location.

ITEM 635 - CHARGES TO SWITCH GONDOLA CARS FOR REMOVAL OF SECTIONAL ROOF COVERS

When at the request of the consignor or consignee and where facilities are available, a car is moved to a location serviced by a crane for the removal of sectional roof covers, a charge of \$250 per car will be assessed.

ITEM 640 - EMPTY CARS SWITCHED FROM INTERCHANGE FOR LOADING ON VRS LINES

When at the request of a shipper, receiver, agent or a connecting carrier, VRS switches an empty car, received in interchange, to the customer's facility for loading and the car order is subsequently canceled and the car released unloaded, VRS will assess a switching charge of \$250.00 on the empty movement in each direction from or to the customer's loading facility. This will include cars rejected bad order to the connecting carrier. The charge will be assessed to the person, firm or corporation ordering the car, unless the car is not in proper condition to load. In this event, the charge will be assessed to the railroad furnishing the car. All applicable car hire or reclaim charges will also be assessed. VRS is not obligated and will not store these cars on its tracks for subsequent orders.

**SECTION 6 SWITCHING RULES, REGULATIONS AND
MISCELLANEOUS CHARGES - ALL STATIONS**

ITEM 645 - SWITCHING EMPTY ASSIGNED CARS TO HOLD TRACKS

When shipper owned racks, crates, trays, bins, braces, brackets, spacers, spacer bars or protective shields are removed from an assigned car placed at a shipper's siding and at the request of the assignee, orders are received to move the empty car to hold or storage tracks of the VRS, a switching charge of \$150 per car will apply for the movement.

SECTION 7 - SWITCHING

ITEM 700 - INTERPLANT, INTERTERMINAL AND INTRAPLANT SWITCHING

INTER-PLANT (INTRA-TERMINAL) SWITCHING: Is a movement, other than Intra-plant switching, from an industry, an assigned siding or a team track reached by VRS to an industry, an assigned siding or a team track reached by VRS but not to or from interchange with a connecting railroad.

INTER-TERMINAL SWITCHING: refers to a movement between a point located on VRS tracks and a point located on another railway within the switching limits of one station or industrial switching district.

INTRA-PLANT SWITCHING: Is the movement of railcars from one track to another track or from one spot to another spot on the same track within the same plant or industry.

CHARGES IN DOLLARS PER CAR

STATION	INTERPLANT/ INTERTERMINAL	INTRAPLANT/ INTRATERMINAL	EXCEPTIONS
All Stations	\$400	\$350	Applies at all VRS stations unless special agreements are in effect prior to movement.

ITEM 705 - INTERSWITCHING - GLOSARY OF TERMS

1. INTERSWITCHING means to transfer traffic:

- A) requiring a road haul; from the siding of the terminal carrier within an Interswitching distance zone to an interchange point with a line haul carrier
- B) that has completed a road haul; from an interchange point between the line haul carrier and the terminal carrier to a siding on the terminal carrier's line within an inter-switching distance zone.

2. CAR BLOCK where referred to in connection with this section shall mean 40 or more cars that, as a block remain coupled and are interswitched at an interchange and are destined to or originate from a single shipper at a single siding at one time. Any block of cars requiring more than one hook and haul railway operation are excluded.

SECTION 7 - SWITCHING

ITEM 705 Continued:

3. SIDING where referred to in connection with this section shall mean:

- A) A private siding connecting with a line of railway of a terminal carrier
- B) A team track of a terminal carrier
- C) A track where traffic may be loaded or unloaded directly from or into a shipper's facility abutting a terminal carrier's tracks.

SECTION 8 - SPECIAL TRAIN AND SWITCH ASSIGNMENTS

ITEM 800 - DEFINITIONS OF SPECIAL TRAINS AND SWITCHES

A) Special Train: A special train is a train that is operated under special service or transportation conditions or assembled according to the instructions of the consignor or consignee. This excludes solid trains or unit trains handled in normal train service.

B) Special Switch: A special switch is a switch assignment, beyond VRS's regularly scheduled service to, from, or within the confines of a customer's plant, siding or serving yard.

ITEM 805 - SPECIAL TRAIN ASSIGNMENT - APPLICATION

VRS is not obliged to provide service beyond normal train service, but will accommodate such requests wherever possible subject to the following:

1. ALL requests must be confirmed in writing and contain all necessary information to effect movement.
2. Movements will only be arranged upon reasonable notice and when special motive power and crews are available without detriment to other services.
3. VRS reserves the right to fill out trains with additional cars.
4. Charges contained herein are in addition to all regular freight, switch or other charges.
5. Charges will be assessed in U.S. currency

ITEM 810 - SPECIAL TRAIN ASSIGNMENT - CHARGES

These charges apply in addition to all freight charges, switch charges or other charges which would apply in normal train service.

SPECIAL TRAIN: A) \$125 per mile with a minimum of 50 miles or \$6250 per train

B) Cancellation Fee \$1000

SECTION 8 - SPECIAL TRAIN AND SWITCH ASSIGNMENTS

ITEM 810 Continued:

NOTE 1: Requests for cancellation of Special Train Assignments must be received in writing upon a minimum twenty-four {24} hours notice prior to the scheduled service. Failure to comply with this notice and procedure will result in a cancellation fee as shown above.

ITEM 815 - SPECIAL SWITCH CHARGE APPLICABLE WHEN CREW AND ENGINE ARE ALREADY ON DUTY

- A) \$100 per hour or fraction thereof with a minimum of \$500 per switch
- B) Cancellation Fee \$200

ITEM 820 - SPECIAL SWITCH CHARGE APPLICABLE WHEN EXTRA CREW AND ENGINE NOT ON DUTY ARE ASSIGNED

- A) When a special switch movement is requested requiring the assignment of an extra engine and crew, there will be a minimum charge of \$3500 for up to 8 hours service. After 8 hours a charge of \$700 per hour or part thereof will be assessed. Requests for special switch must be made in writing at least 48 hours in advance. The service will be provided if crew and equipment are available.
- B) Cancellation Fee with at least 24 hour notice in writing: \$500
- C) Cancellation Fee without 24 Hour notice in writing: \$1750

SECTION 9 - OUT OF LINE HAUL

ITEM 900 - OUT OF LINE HAUL MILEAGE CHARGES

- A) When, for any reason attributable to the customer, VRS moves a shipment to a point out of the direct line of route or between any two points not otherwise covered by a freight or switch rate, the following charges will apply.
- B) These charges only apply when specific reference is made to this item.
- C) When a lower published rate exists between the originating and terminating points, the lower rate will apply.

TOTAL DISTANCE IN MILES	ORIGIN IN THE U.S CHARGE PER CAR
0-50	\$1100
50 - 100	\$1660
100+	\$5510

SECTION 10 - DIVERSION, RECONSIGNMENT AND STOP-OFFS IN TRANSIT

ITEM 1000 - GLOSSARY OF TERMS:

The term **Diversion/Reconsignment** means any order received by VRS that requires any change in the original shipping document involving;

A change in the name of consignor;

A change in the name of consignee;

A change in destination;

A change in the route;

A request to stop a car for the purpose of delivery or re-forwarding.

Destination for the purpose of this section means the destination on the bill of lading, or if such destination is served by a terminal yard, the terminal yard will be considered the destination.

ITEM 1005 - APPLICATION

Provisions of this tariff will apply only to rail cars which are in VRS's account as a linehaul carrier.

Orders for diversion will only be accepted from the party paying the freight charges or the authorized representative of the party paying the freight charges affected under these provisions.

Diversion charges will only apply if the diversion is accomplished.

In order to effect a diversion, instructions must be received in time to permit the change to be accomplished before the railcar reaches the destination or is interchanged with another carrier participating in the linehaul movement.

VRS reserves the right to refuse the diversion request if the charges accruing against the consignment are not guaranteed to the satisfaction of VRS.

ITEM 1010 - NON-APPLICATION

Diversions will not be permitted under the following conditions:

1) After the car has been interchanged to a participating carrier for linehaul movement or switching to the consignee.

SECTION 10 - DIVERSION, RECONSIGNMENT AND STOP-OFFS IN TRANSIT

ITEM 1010 Continued:

- 2) After the car has been placed at destination on VRS. Any instructions effecting the movement of the car after placement at destination will constitute a new movement, subject to switching or linehaul charges as the case may be.
- 3) On traffic moving under confidential contract unless specifically permitted under the provisions of the governing contract.
- 4) On movements such as destination or route change that require VRS to perform an out of line haul. These shipments will be executed as shipments terminating and originating at the diverted station and will be subject to all applicable freight charges.
- 5) To a station or a point of delivery against which an embargo is in force.
- 6) For requests to change the name of the freight payer.
- 7) This tariff will NOT supersede the provisions of any governing contract or tariff that may prevent the car from being diverted.

ITEM 1015 - CHANGING A DIVERSION ORDER

- A) Requests to cancel a previous order effecting destination or route will be accepted when provided by authorized parties provided the car has not reached the billed destination or been interchanged to another carrier participating in the line haul movement. Cancellations will be subject to a charge of \$95 per car or per bill of lading.
- B) Only one (1) change in destination or route will be permitted.

ITEM 1020 - NOTIFICATION OF A DIVERSION REQUEST

Diversion requests will ONLY be processed when requests are received by VRS in writing, by FAX, electronically, or via EDI.

ITEM 1025 - VRS RESPONSIBILITY TO EFFECT A DIVERSION

1. VRS will make every effort to effect a diversion when the railcar is in VRS's possession and written instructions are provided.

SECTION 10 - DIVERSION, RECONSIGNMENT AND STOP-OFFS IN TRANSIT

ITEM 1025 Continued:

2. VRS will NOT be responsible for failure to effect a diversion after the railcar has been interchanged to a connecting carrier.
3. VRS will NOT be responsible for executing a diversion on a specific day or at a specific time of day.
4. VRS will NOT be responsible for additional charges incurred when the diversion cannot be accomplished at the desired location.
5. VRS will NOT be responsible for any charges accruing on cars delivered to connecting carriers, other than the absorption of reciprocal switching charges that are authorized by VRS switching absorption provisions.

ITEM 1030 - ASSESSMENT OF DIVERSION CHARGES

Applies after a shipment has been billed by shipper or after a shipment has been interchanged to VRS from a connecting railroad.

- A) While on tracks of VRS, shipments are entitled to one diversion or reconsignment subject to rules as provided elsewhere in this tariff.
- B) Diversion charges do not include the cost of any additional switching, demurrage, linehaul or other applicable charges that may accrue as a result of the diversion. These charges will be in addition to and governed by the applicable price publications.
- C) Charges:
 - a) \$130 per car for single car shipments or multiple car shipments consisting of 2 to 24 contiguous cars. If all cars of a multiple car shipment consisting of 2 to 24 contiguous cars are diverted to a single consignee at a single destination then the charge shall be a maximum \$390 for the entire shipment diversion.
 - b) \$520 per block for all multiple car shipments consisting of 25 to 49 contiguous cars, provided the block of cars is diverted to a single consignee at a single destination.

ITEM 1030 Continued:

SECTION 10 - DIVERSION, RECONSIGNMENT AND STOP-OFFS IN TRANSIT

c) \$650 per block for all multiple car shipments consisting of 50 or greater contiguous cars, provided the block of cars is diverted to a single consignee at a single destination.

ITEM 1035 - DIVERSIONS TO ORIGINS OR DESTINATIONS NOT SPECIFIED IN VRS PRICE PUBLICATIONS

Applicable in connection with lumber or lumber products, unless otherwise specified, a charge of \$1340 will be assessed to the party requesting the rebill or diversion of a rail car, originating on VRS, to a destination not specified in an applicable VRS price publication. This charge will be assessed in accordance with the following:

1. If a rail car is billed under the provisions of AAR Accounting Rule 11 to a destination not specified in the applicable VRS price publication.
2. If a rail car is rebilled subsequent to it reaching final destination as specified in shipper's Bill of Lading or diversion request.

ITEM 1040 - STOP-OFF OF CARLOAD FREIGHT

VRS is not obligated to permit stop-offs in transit but will allow this service where possible. In addition, VRS is not obliged to permit stop-offs at the particular station requested by the shipper. Availability and locations of stop-offs will be at VRS's sole discretion.

Carload shipments originating at and/or destined to stations on connecting lines partied to this tariff may be stopped to partially unload in transit and/or to complete loading in transit, subject to the regulations in this tariff.

Stop-off to, partially unload will not be permitted on freight from the United States moving under executed Section 7 of the Uniform Bill of Lading, release of consignor from liability for payment of freight charges.

ITEM 1045 - EXCEPTED TRAFFIC

Stop-off privilege will not be permitted:

- 1) On Import freight

ITEM 1045 Continued:

SECTION 10 - DIVERSION, RECONSIGNMENT AND STOP-OFFS IN TRANSIT

- 2) On freight in bulk
- 3) On freight in tank cars
- 4) On explosives or hazardous materials
- 5) Where origin and destination are within the same switching limits
- 6) When more than one stop-off is within the same switching limits
- 7) At prepay only or non-agency stations
- 8) On traffic which has been accorded in whole or in part, a previous transit privilege
- 9) On traffic handled in containers, trailers or semi-trailers
- 10) On automotive freight

ITEM 1050 - CARLOAD WEIGHT TO APPLY

Where stop-offs are permitted to complete loading, freight charges will be computed on the weight after loading is complete and applied from point of origin, subject to minimum carload weight. Where shipments are stopped to partially unload, freight charges will be computed on the weight before unloading and applied to final destination, subject to minimum carload weight.

ITEM 1055 - COLLECTION OF CHARGES

Freight charges on cars billed to stop-off in transit to partly unload must be paid in full at point of origin or at the first stop-off point.

ITEM 1060 - DEMURRAGE ON CARS STOPPED-OFF

Cars stopped-off under these arrangements will be subject to the provisions of tariff VRS Tariff 6000.

ITEM 1065 - NOTATION ON SHIPPING ORDER AND BILL OF LADING

Shippers at point of origin must designate on shipping orders and Bill of Lading:

- 1) Stop-off privilege desired, i.e. whether to complete loading and/or to partially unload
- 2) Point or points at which the car is to be stopped
- 3) Name and address of the party who will load or unload at stop-off point (See NOTE).

SECTION 10 - DIVERSION, RECONSIGNMENT AND STOP-OFFS IN TRANSIT

ITEM 1065 Continued:

NOTE: Only one party will be permitted to load or unload at stop-off point.

ITEM 1070 - NUMBER OF STOP-OFFS PERMITTED

The maximum number of stop-offs which will be permitted under the provisions of this tariff will be 2 for completion of load and/or for partial unloading exclusive of original point of shipment and final destination.

ITEM 1075 - RATES AND MINIMUM WEIGHTS

Rate to apply will be the applicable carload rate in effect from the original shipping point to final destination, plus stop-off charge and all other demurrage or ancillary charges that may accrue as a result of the car being stopped off.

- 1) When the rate from any stop-off point to the final destination on cars stopped to complete loading is higher than the rate from the original point of shipment to such destination, the rate from the stop-off point taking the highest rate to final destination, subject to carload minimum specified in paragraph 3, will govern the through movement from original point of shipment to final destination.
- 2) When the rate from the original point of shipment to any stop-off point on cars stopped to partially unload is higher than the rate to final destination, the rate from the original point of shipment to the stop-off point taking the highest rate, subject to carload minimum specified in paragraph 4, will govern the through movement from original point of shipment to the final destination.
- 3) Where the minimum from any stop-off point to final destination on cars stopped to complete loading is higher than the minimum from the original point of shipment to such destination, the minimum from the stop-off point taking the highest minimum to final destination will govern the through movement from original point of shipment to final destination, plus stop-off charge and out of line haul, if any.
- 4) Where the minimum from the original point of shipment to any stop-off point on cars stopped to partially unload is higher than the minimum to final destination, the minimum from the original point of shipment to the stop-off point taking the highest minimum will govern the through movement from the original point of shipment to the final destination, plus stop-off charge and out of line haul, if any.

SECTION 10 - DIVERSION, RECONSIGNMENT AND STOP-OFFS IN TRANSIT

ITEM 1080 - REGULATIONS AT STOP-OFF POINTS

- 1) When cars are stopped to partially unload no freight may be loaded at stop-off point.
- 2) No substitution of load will be permitted at stop-off point.
- 3) When request is made for stop-off to complete loading or to partially unload cars that are already in transit, diversion charges as published herein will be assessed in addition to the stop-off charge. Note: VRS is not responsible for failure to allow stop-off on cars already in transit. The charges will apply only if the stop-off is accomplished.
- 4) On cars stopped for completion of load, shippers at stop-off point(s) must advise VRS of the additional freight loaded, for the purpose of determining the freight charges to be assessed. In the event shipper fails to provide this information, VRS will assess a rate predicated on the maximum weight capacity of the car.

ITEM 1085 - STOP-OFF CHARGES

- 1) The charge for each stop-off will be \$325 per car per stop-off. The charge will apply whether the car is set off the train or freight is permitted to be taken from or put into the car while standing on the train.
- 2) Where shipments are forwarded in two cars (overflow or follow lot shipments and both cars are stopped in transit), the charge for stop-off service will be applied to each of the cars in the shipment. Where two cars are used in one shipment and but one car is stopped in transit the charge for stop-off service will be applied only to the car which is stopped at the intermediate point.
- 3) Charges for demurrage, diversion, or any other ancillary service that accrue as a result of the stop-off will be in addition to the stop-off charges named herein.

SECTION 11 – SPECIAL RULES AND REGULATIONS - UNLIMITED

ITEM 1100 - TRANSPORTATION OF DANGEROUS GOODS

Cars containing dangerous goods, as defined by The Department of Transportation in their transportation of Dangerous Goods Act and Regulations and subject to requirements of special permit 3255, must be placed on consignee's private siding or other designated unloading point immediately upon arrival. Any such carload which cannot be so placed, for any reason, within 120 consecutive hours (five days) after arrival will be moved without notice by VRS to the nearest Transport Canada permit approved Dangerous Goods holding track on VRS, where space is available, to be held until final delivery instructions are received from the consignee. In addition to applicable Tariff VRS 6000 demurrage charges, a charge of \$800.00 per car will be assessed against the consignee for the movement between destination and holding track and return. In these circumstances, no change in consignee or destination will be permitted.

ITEM 1105 - SEALING REQUIREMENTS FOR RAIL SHIPMENTS

Requirements for the sealing of rail shipments on Vermont Rail System are as follows:

A) GENERAL REQUIREMENTS FOR SHIPMENTS THAT MOVE ON VRS:

- 1) All closed cars, containers and trailers containing freight should be sealed at all side and end doors and other openings through which freight might be removed.
- 2) Shippers must supply and apply seals.
- 3) Seals must be applied to doors, hatches, gates, and outlet fastenings so that they cannot be opened without breaking the seals.
- 4) Shippers must note seal numbers on the bill of lading and any manifest used for Canadian and United States Customs purposes
- 5) If a Shipper elects not to seal shipments or does not apply seals to a shipment, VRS will assume no liability for claims resulting from possible vandalism, tampering, contamination and the subsequent and the loss and mitigation thereof.
- 6) Consignees are responsible for the removal of all seals.

SECTION 11 – SPECIAL RULES AND REGULATIONS - UNLIMITED

ITEM 1105 Continued:

B) REQUIREMENTS TO PROTECT THE INTEGRITY AND SAFETY OF THE LADING:

Shippers have the responsibility to protect the integrity and safety of the lading of their shipments. These requirements are established by but not limited to the policies of the shipper, consignee, railway, and government or other agencies. In meeting these requirements, VRS acknowledges its common carrier or contract carrier obligations to maintain the integrity of the lading. For the purpose of ITEM B, VRS requires that shippers must supply and apply seals to these shipments and comply with the following:

- 1) Such seals are to provide both security and tamper resistance such as a cinch type cable, bolt or other security-type seal.
- 2) Prior to release at origin, application of seals to doors, hatches, gates, and outlet fastenings must be done in a manner so that they cannot be opened without breaking the seals and so that such seals and supporting documentary evidence can provide verification of the shipment's protection and integrity.
- 3) When appropriate seals are missing or are broken, VRS will not acknowledge responsibility for alleged or suspected contamination or adulteration unless there is evidence to support same.
- 4) Consignees are responsible for the removal of all security type seals before releasing the shipments as being empty from their facility. Unless such empty car is to return empty with seals attached at all locations as listed in ITEM B – 2).

C) SPECIAL PROVISIONS AND CONSIDERATIONS:

- 1) If railcars are set off or held in any way due to lack of seal information or documentation, for lack of proper seals or failure to apply seals, charges will be assessed by the railway to the shipper in accordance with switching, handling and demurrage charges expressed in this Tariff, Tariff VRS 6000 - series.
- 2) If on a bonded or transborder shipment, an issue with a seal results in a fine or penalty being assessed to the carrier by United States Customs or Canada Customs, this fine or penalty will be charged back to the shipper

SECTION 11 – SPECIAL RULES AND REGULATIONS - UNLIMITED

ITEM 1105 Continued:

- 3) All intermodal shipments are required to be sealed and if a shipment arrives at a VRS terminal on an in-bound movement without seals, VRS may apply such seals. In the event VRS does supply and apply seals to an intermodal shipment, shippers will be assessed a fee of \$95.00.

- 4) If you have questions concerning these rules or their application, please contact VERMONT RAIL SYSTEM

ITEM 1110 - VRS TRANSLOAD FACILITIES

RELOAD FACILITY	ADDRESS	VRS STATION NAME	VRS STATION NUMBER
Riverside Reload Center	46 Steamtown Rd Riverside, VT 05101	Riverside	1415
Seaway Bulk Services	Bldg 3, Port of Ogdensburg Ogdensburg, NY 13669	Ogdensburg	20

ITEM 1115 - BILLING INSTRUCTIONS

When the billing party wishes to move an Inclusive Shipment (see Item 1130) from a VRS-owned Transload Facility which will provide truck pick-up services and/or transfer from truck to rail car at origins, the actual shipper of the goods shall be shown as the consignor on the bill of lading. The appropriate operator of the VRS owned Transload Facility shall be noted as the "Care-of Party" and the billing must contain the relevant location, station name, and number from the table shown in Item 1110. These conditions apply to all shipments.

When the billing party wishes to move an Exclusive Shipment (see Item 1130) from a VRS-owned Transload Facility where there will be additional charges for truck pick-up and transfer from truck to rail at origin, the appropriate operator of the VRS-owned Transload Facility shall be shown as the consignor on the bill of lading. The billing must contain the relevant location, station name, and number from the table shown in Item 1110. These conditions apply to all shipments.

When the billing party wishes to move an Inclusive Shipment (see Item 1130) to a VRS-owned Transload Facility which will provide transfer from rail car to truck and/or truck delivery at destination, the actual receiver of the goods shall be shown as the consignee on the bill of lading. The appropriate operator of the VRS-owned Transload Facility shall be noted as the "Care-of-Party" and the

SECTION 11 – SPECIAL RULES AND REGULATIONS - UNLIMITED

ITEM 1115 Continued:

billing must contain the relevant location, station name, and number from the table shown in Item 1110. These conditions apply to all shipments.

When the billing party wishes to move Exclusive Shipment (see Item 1130) to a VRS-owned Transload Facility where there will be additional charges for transfer from truck to rail car and for truck delivery at destination, the appropriate operator of the VRS-owned Transload Facility shall be shown as the consignee on the bill of lading. The billing must contain the relevant location, station name, and number from the table shown in Item 1110. These conditions apply to all shipments

ITEM 1120 - ADVANCE CLEARANCE FOR TERMINAL SERVICE AND TRUCK DELIVERY SERVICE

Prior to shipment, clearances must be received by the shipper from the VRS-owned transload Facility that the commodities being shipped can be handled by the transload facility and that truck pick-up and delivery services can be provided. Cars arriving at the transload facility without clearance and where transfer cannot be performed shall be held at shipper's expense without any free-time subject to demurrage rules and regulations contained herein. Any additional expenses incurred by the transload facility operator will be assessed to the shipper.

ITEM 1125 - DEFINITION OF INCLUSIVE SHIPMENT & EXCLUSIVE SHIPMENT**INCLUSIVE SHIPMENT:**

Refers to traffic for which the published rail rate provides a through Service with VRS providing rail haul and the VRS-owned Transload facility providing and/or arranging for transfer, truck pick-up and/or delivery, and other services as specified in rate publication.

EXCLUSIVE SHIPMENT:

Refers to traffic for which the published rail rate provides a through Service with VRS providing rail haul only. Shipper or Consignee must arrange to provide transfer, truck pick-up and/or delivery, and any other required services direct with the VRS-owned Transload Facility.

SECTION 11 – SPECIAL RULES AND REGULATIONS - UNLIMITED

ITEM 1130 - APPLICATION OF RAIL RATE PUBLICATIONS ON INCLUSIVE SHIPMENTS AT VRS STATIONS

VRS will publish rates that cover inclusive shipments as defined in Item 1130 herein. In these cases, rate publications shall specifically provide for the inclusion of transfer, truck pick-up and/or delivery, and other services as specified therein at points served by VRS. A rail rate publication will be interpreted as covering exclusive shipments only, as defined in Item 1130 herein, when there are no specified notes or provisions in such rate publication out-lining its application to inclusive shipments.

ITEM 1135 - RAIL CAR DEMURRAGE – TRANSLOAD FACILITIES

The provisions of the 1100-series Items of this tariff will be subject to demurrage rules, provisions and rates as detailed in Tariff VRS 6000. VRS Demurrage rules per tariff VRS 6000 will apply while cars are located at a VRS-owned Transload Facilities except as provided in Item 1140 herein.

ITEM 1140 - RAIL CAR DEMURRAGE – VRS TRANSLOAD FACILITIES (PLASTICS)

For Plastic shipments, as defined herein, all demurrage charges will be calculated and assessed on a per car basis. Demurrage days will be the number of 24-hour periods or fraction thereof computed from the time of the notification of actual or constructive placement of a loaded car on orders from the consignee for unloading (tender) until the release of the car. Demurrage days will start to accrue at 00:01 hours after tender.

Charges will be calculated by multiplying the charge per day found in the table below by the number of demurrage days as determined above.

DEMURRAGE DAYS CHARGE PER CAR PER DAY	
0 - 30 DAYS	\$ 0.00 PER DAY
OVER 30 DAYS	\$35.00 PER DAY

EXPLANATION OF REFERENCE MARKS

ITEM 99999

(I) - INCREASE.

(N) - CHANGE IN WORDING WHICH RESULTS IN NEITHER INCREASE NOR REDUCTION IN CHARGES.

(R) - REDUCTION.

- THE END -