

TEXAS & EASTERN RAILROAD



FREIGHT TARIFF 2017

**NAMING
GENERAL SWITCHING, DEMURRAGE, STORAGE, LOCAL RATES,
AND MISCELLANEOUS
RULES AND CHARGES**

**APPLYING FROM, TO, BETWEEN, AND AT POINTS ON
TEXAS & EASTERN RAILROAD**

APPLICABLE ON INTERSTATE AND INTRASTATE TRAFFIC

ISSUED: MAY 4, 2017

EFFECTIVE: MAY 4, 2017

ISSUED BY:

**Greg Udolph
General Manager
Texas & Eastern Railroad
535 Park Road 76
Rusk, TX 75785**

TABLE OF CONTENTS

SECTION 1 - RULES

- Item 10 – Requesting Copies of TSR TARIFF 2017**
- Item 15 – Reference to Tariffs, Items, Notes, and Rules**
- Item 20 – Cancellation Notice**
- Item 30 – Method of Canceling Items**
- Item 40 – Station Lists and Conditions**
- Item 45 – Capacities and Dimensions of Cars**
- Item 50 – Late Payment**
- Item 60 – Timely Payment of Charges and Security Deposit**
- Item 70 - Congestion Resulting From Rail Customer May Result in an Embargo**
- Item 100 – Index of Terms**

SECTION 2 - SWITCHING

- Item 200 – Loaded Cars from Customer without Billing**
- Item 205 – Empty Cars Ordered but Not Loaded**
- Item 210 – Intra-Plant Switching**
- Item 215 – Delay of Train**
- Item 220 – Overloaded Cars**
- Item 230 – Diversion or Reconsignment**
- Item 235 – Setback Charges**
- Item 240 – Rates for Local Movements on the TSR**
- Item 250 – Storage of Private Cars on Railroad Track**
- Item 280 – Special Freight Train Service**

SECTION 3 - DEMURRAGE

- Item 300 – General Application**
- Item 310 – Chargeable Days**
- Item 320 – Cars Subject to Demurrage Rules and Charges**
- Item 330 – Free Time**
- Item 340 – Demurrage Charges**
- Item 350 – Demurrage Charges for Commodities Designated as Toxic Inhalation Hazard (TIH) – Constructively Placed**

SECTION 4 – LIST OF STATIONS

SECTION 1 - RULES

Item 10 – Requesting Copies of TSR TARIFF 2017

You may obtain a copy of this tariff from TSR by mail provided you furnish to the address below a formal written request for a printed copy. This formal request is required on an annual basis in accordance with Surface Transportation Board's policy decision under Ex Parte 528, Disclosure, Publication, and Notice of Change of Rates and Other Service Terms for Rail Common Carriage.

All requests for printed copies of this tariff should be directed to:

Manager
Texas & Eastern Railroad
535 Park Road 76
Rusk, TX 75785

Item 15 – Reference to Tariffs, Items, Notes, and Rules

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

Item 20 – Cancellation Notice

Not Applicable, first tariff issued.

Item 30 – Method of Canceling Items

As this tariff is supplemented, numbered items with letter suffixes will be used in alphabetical sequence starting with letter A. For example: Item 10A would cancel Item 10, and then Item 10B would cancel Item 10A in any prior supplement, which in turn would cancel Item 10.

Item 40 – Station Lists and Conditions

This tariff is governed by the Official Railroad Station List, OPSL 6000-series, Railinc, Agent, to the extent shown below:

PREPAY REQUIREMENTS AND STATION CONDITIONS

For additions and abandonments of stations, restrictions as to acceptance or delivery of freight and changes in station facilities. When a station is abandoned as of a date specified in the above named tariff, the rates from and to such station as published in this tariff are inapplicable on and after that date.

SECTION 1 - RULES

Item 45 – Capacities and Dimensions of Cars

For marked capacities, lengths, dimensions, and cubical capacities of cars, see the Official Railway Equipment Register, RER 6414-series, issued by National Railway Publication Company, Agent.

Item 50 – Late Payment

Customer shall pay all applicable charges to TSR upon invoice therefore. Invoices are due and payable thirty (30) days following the date of the invoice. In the event that invoice has not been paid or payment has not been made within fifteen (15) days after such payment is due and payable, a late payment charge of two percent (2%) shall be assessed on the outstanding balance owed. Payments shall be applied first to late payment charges, and then to the outstanding balance.

Item 60 – Timely Payment of Charges and Security Deposit

TSR has the right to demand that a rail customer responsible for the payment of any applicable charges, which has a history of delinquency or non-payment of such charges, not in bona fide dispute, provide assurance for the timely payment of such charges. Such “assurance” will be required in form of a deposit with TSR of cash, letter of credit, surety bond, or other suitable guarantee in the amount equal to the average monthly bill(s) to the customer over the past six (6) months. TSR will determine the suitability of the security tendered. All instruments on deposit are hereinafter referred to as “security”.

If a bill incurred by a customer subject to the aforementioned security deposit requirement, not in bona fide dispute, is not paid when due, immediately thereafter, TSR will satisfy the bill by drawing against the security. Because deposits are established due to delinquencies or non-payment of charges, no interest will be paid by TSR on any security deposited with it. It is within the discretion of TSR to determine when issues of delinquency have been resolved and when the rail customer is no longer required to maintain a security deposit. Should rail service to the customer no longer be required the security deposit will be released and returned upon satisfaction of all outstanding bills.

Item 70 - Congestion Resulting From Rail Customer May Result in an Embargo

If a rail customer’s excessive retention of railcars (whether or not related to the customer’s security deposit experience) results in operational congestion as determined by TSR of the customer’s and/or TSR’s rail tracks, TSR may impose an embargo against the customer’s receipt of further railcars until the congestion is eliminated.

SECTION 1 - RULES

Item 100 – Index of Terms

For the purposes of applying the provisions of this tariff, the following terms are defined and will govern:

ACTUAL PLACEMENT: When a car is placed in an accessible position for loading or unloading, or at a point designated by the consignor or consignee or party loading or unloading the car.

CAR DELIVERY: Delivery of car(s) to a consignor, consignee, or person responsible for loading or unloading shall be at TSR's ordinary operating convenience. Ordinary operating convenience is defined as the time that is most advantageous to TSR in relation to its coordinated, efficient, and effective switching activities.

CHARGEABLE DAY: A twenty-four (24) hour period, or fraction thereof that follows the expiration of Free Time.

CONSIGNEE: The party designated on the bill of lading as the entity legally entitled to receive delivery of the car from the carrier.

CONSIGNOR: The party designated on the bill of lading as the entity which has caused the car to be consigned into transportation.

CONSTRUCTIVE PLACEMENT: When a car cannot be actually placed or delivered because of any condition attributable to the consignee, consignor, loader or unloader, such car will be held on TSR tracks and notice will be sent or given to the party entitled to receive notification that the car is held awaiting disposition instructions. Such cars which have been placed by TSR on private or other than public delivery tracks, including lead tracks serving the loader or unloader, will be considered constructively placed without notice.

CREDIT: See description of term for Free Time.

DELAY OF TRAIN – a direct cause in the delay to train crew operations, during normal switching services.

DEMURRAGE: A charge made on freight cars held by or for consignor, loader, consignee, or unloader for loading or unloading, prior to the issuance of forwarding instructions or any other purpose.

DEMURRAGE DAY: A twenty-four (24) hour period, or fraction thereof, may also be referred to as a "Debit".

DISPOSITION: Information, including forwarding instructions and/or release, which allows the railroad to either tender or release the car.

DIVERSION: A change in name of consignee or consignor, a change in the destination, a change in the route at the request of the consignor, consignee, or owner, or any other instructions given by consignee,

SECTION 1 - RULES

Item 100 – Index of Terms (continued)

consignor, or owner altering delivery and requiring an addition to or change in billing and additional movement of a car, or both.

EMPTY CARS ORDERED AND NOT USED: Empty cars ordered, placed, or constructively placed for loading and subsequently released without being used in transportation service.

EMPTY RELEASE INFORMATION: Advice by unloader, given to an authorized representative of OERR, that a car is partially or completely unloaded and available to TSR.

FORWARDING INSTRUCTIONS: Shipping instructions given to TSR at the time of release containing all of the necessary information to properly transport the shipment to destination.

FREE TIME: A period of time following actual or constructive placement during which demurrage is not chargeable. May also be referred to as a “Credit”.

HAZARDOUS MATERIALS: Hazardous materials, substances, or waste as described in HAZARDOUS MATERIALS REGULATIONS of the U.S. Department of Transportation in 49 C.F.R. 171.8 or successor thereof.

INDUSTRIAL INTERCHANGE TRACK: Designated delivery or receipt track or tracks for the exchange of cars between the railroad and industry performing their own switching including industrial switching line acting as agent for industry.

LEASED TRACK: A track assigned to a user through a written lease agreement and is considered the same as a private track for demurrage purposes.

LOADER: Party physically loading the car.

LOADING: The complete or partial loading of a car by the party responsible to load in conformity with railroad loading and clearance rules, and the furnishing of forwarding instructions.

NON-CHARGEABLE DAY: All Sundays (see Note 1) and holidays. Holidays (see Note 2) shall include the following:

New Year’s Day	January 1
Memorial Day	Last Monday of May
Independence Day	July 4
Labor Day	First Monday of September
Thanksgiving Day	Fourth Thursday of November
Day after Thanksgiving	Fourth Friday of November
Christmas Eve	December 24
Christmas Day	December 25

NOTE 1: Sundays will be chargeable days for Mechanical Refrigerator Cars.

SECTION 1 - RULES

Item 100 – Index of Terms (continued)

NOTE 2: When these dates occur on a Sunday, the following Monday will be observed as the holiday.

OTHER THAN PUBLIC DELIVERY TRACK: Any trackage assigned for individual use, including privately owned or leased track.

PRIVATE CAR: A car which is not a railroad owned or controlled car.

PRIVATE TRACK: Any track which is not owned or leased by the railroad.

PUBLIC DELIVERY TRACK: Any track for use by the general public for loading and unloading (i.e. Team Track).

RAILROAD CONTROLLED CAR: A car owned or leased by a railroad.

RAILROAD CONTROLLED TRACKS: Any track designated by TSR not defined as a leased track or private track.

RECEIVING PARTY: The Receiving party of the railcar is responsible for the demurrage.

RECONSIGNMENT: See the description of term Diversion.

RELEASE: The following will constitute Release:

Except as otherwise provided in this tariff, the term “release” means the notification received from loader or unloader that loading or unloading of a car has been completed and the car is available for movement and forwarding instructions have been received, if applicable. Cars placed on industrial interchange tracks of an industry doing its own switching, including those tracks of an industrial switch line acting as agent of industry, will be removed from track and considered received and held for disposition as provided in Item XXX of this tariff.

STCC: Standard Transportation Commodity Code

STORAGE DAY: A twenty-four (24) hour period, or fraction thereof.

TSR: Texas & Eastern Railroad

TEAM TRACK: Any track designated by TSR for use by the general public for loading and unloading (i.e. Public Delivery Track).

TENDERED FOR DELIVERY: All cars made available to a customer that have been constructively placed or ordered for placement on the same day.

TIME: Local time applicable.

UNLOADER: Party physically unloading a car.

SECTION 1 - RULES

Item 100 – Index of Terms (continued)

UNLOADED/UNLOADING: The complete or partial unloading of a car and advice the car is available for movement and the furnishing of forwarding instructions when required.

SECTION 2 - SWITCHING

Item 200 – Loaded Cars from Customer without Billing

Any loaded car released to TSR without proper billing information submitted to TSR within 24 hours of release to TSR, TSR shall charge a rate of \$150.00 per car and applicable demurrage charges defined in Item 340 until such information is provided to the satisfaction of TSR.

Item 205 – Empty Cars Ordered but Not Loaded

Any empty car that is ordered for loading and has been placed on customer track, and the car is not loaded but returned to TSR empty, shall be charged \$350.00 per car. The charge for this service shall be assessed and collected from the person, firm, or corporation ordering such cars.

Item 210 – Intra-Plant Switching

All loaded or empty cars switched for any purpose, except as provided in Note 1, from one part of one industry track to another part of the same track in the same plant or industry, or from one track to another track of the same plant or industry. A charge of \$115.00 per car will be made.

Note 1: If the switching of the loaded car requires handling the car beyond the confines of the plant or industry at which the car was initially placed, the charge will be the rate for local movements as defined in Item 240.

Note 2: If the switching of the empty car requires handling the car beyond the confines of the plant or industry at which the car was initially placed, the charge will be \$200.00 per car handled.

Item 215 – Delay of Train

In the event a TSR train and/or engine and crew is unable to perform switching service, or work is impeded due to causes attributable to a customer or industry, the following charges will apply:

- 1.) Initial delay charge..... \$250.00 1st ½ hour
- 2.) Subsequent quarter hour charges following initial delay..... \$100.00 per each ¼ hour

These delays include, but are not limited to: rails blocked or fouled, derails, switches, or gates locked, cars in process of being worked, inspected or sealed, or other customer request leading to delay.

SECTION 2 - SWITCHING

Item 220 – Overloaded Cars

Cars found to be overloaded will be subject to the following charges:

1. When an overloaded car is identified by TSR scale, a charge of \$800.00 per car will be assessed to each overloaded car. The overloaded car will be set out at the nearest operationally convenient siding immediately upon being identified as overloaded.
2. Overloaded cars will be subject to demurrage charges as defined in Item 340

Item 230 – Diversion or Reconsignment

When a change in name of consignee or consignor, a change in the destination, a change in the route at the request of the consignor, consignee, or owner, or any other instructions given by consignee, consignor, or owner altering delivery and requiring an addition to or change in billing and additional movement of a car, or both, the following charges will apply:

1. If a diversion or reconsignment order is received by TSR prior to the arrival of a car at destination, the charge will be \$225.00 per car.
2. If a diversion or reconsignment order is received by TSR within twenty-four (24) hours from the first 7:00 a.m. after arrival at destination, the charge will be \$300.00 per car.
3. If a diversion or reconsignment order is received by TSR after expiration of twenty-four (24) hours from the first 7:00 a.m. after arrival at destination, the charge will be \$375.00 per car. Shipper must provide a bill of lading before the TSR will move the car.

Item 235 – Setback Charges

Cars (s) loaded or empty, received by TSR in error, from a Connecting Railroad Carrier, that are not consigned to TSR or its customers, will be treated as mishandled cars received in error and a “Setback Charge” will be assessed against and billed to the interchanging carrier as follows:

Setback Charge: \$225 per car.

Item 240 – Rates for Local Movements on the TSR

A local movement on the TSR is defined as the movement of a car from one location on the TSR to another location on the TSR. The charge for such local movements shall be as follows:

Switching rate for local movements: \$300 per switch movement, with a maximum number of 10 cars in any one movement.

Item 250 – Storage of Private Cars on Railroad Track

Loaded or empty private cars held on TSR tracks will be stored pursuant to a written storage agreement between TSR and the customer. Unless, otherwise agreed to, the charge for such storage shall be assessed at a rate of \$60 per Storage Day, except empty private cars held on railroad tracks will be assessed \$40 per Storage Day.

Storage charges will apply from the first 7:00 a.m. after notice of availability and constructive placement of private cars on railroad tracks until actual placement on private tracks.

Hazardous cars cannot be stored on TSR tracks.

Exception: When TSR's track is leased by the customer under a written lease agreement.

Item 280 – Special Freight Train Service

Special Freight Train Service is the movement of a train in other than normal freight train service at the specific request of the shipper or consignee, or as may be required due to other conditions outside normal train operations.

The charge for special freight train service will be \$3,750.00 per occurrence, and will be in addition to all other charges associated with the movement.

Charges to be calculated from the time the crew and locomotive report for special service until the return of crew and locomotive to starting point.

(This railroad reserves the right to restrict or modify any request for special freight train service.)

SECTION 3 - DEMURRAGE

Item 300 – General Application

The demurrage rules and charges published in this Section 3 apply on international, interstate, and intrastate traffic on all points on the TSR. For the purpose of applying the rules and charges, the terms as defined in Section 1 shall govern.

Item 310 – Chargeable Days

Chargeable days are defined as days that follow the expiration of free time as described in Item 330.

Item 320 – Cars Subject to Demurrage Rules and Charges

The receiving party of the railcar is responsible for the demurrage per STB EP 707, effective 7/15/2014. Railroad, railroad controlled, and private cars held for or by consignors or consignees for any purpose, or

SECTION 3 - DEMURRAGE

Item 320 – Cars Subject to Demurrage Rules and Charges(continued)

held by parties responsible for loading and/or unloading, are subject to demurrage rules and charges in this Section 3, subject to the exception below.

Exception: Demurrage rules and charges will not apply on empty or loaded private cars while held on private tracks.

Item 330 – Free Time

Free time will be allowed for each car as follows:

Cars held for unloading: TWENTY-FOUR (24) HOURS
Cars held for loading: FORTY-EIGHT (48) HOURS

Free time will be computed from the first 7:00 a.m. following actual or constructive placement. For the purpose of computing free time, Saturdays, Sundays, and holidays will be excluded, unless there has been at least one (1) chargeable day prior to the Saturday, Sunday, or holiday.

No free time will be allowed for cars held for any other purpose for which the consignor, consignee, or party of record is responsible for furnishing disposition to the TSR.

Item 340 – Demurrage Charges

On cars subject to demurrage charges, after the expiration of free time allowed (see Item 330), a charge of \$75.00 per day, or fraction thereof, will be assessed until the car is released (subject to Exceptions 1, 2, and 3 below):

Exception 1: \$80.00 per day for the first five (5) days, and \$90.00 per day for each day thereafter on all mechanically refrigerated cars.

Exception 2: \$100.00 per day for the first five (5) days, and \$125.00 per day for each day thereafter on all hazardous materials, substances or waste as described in HAZARDOUS MATERIALS REGULATIONS of the U.S. Department of Transportation in 49 CFR 171.8 or successor thereof.

Exception 3: Railcars containing commodities designated as toxic/poison inhalation hazard (TIH), inhalation hazard (anhydrous ammonia) and Division 1.1 and 1.2 Explosives, which are constructively placed on TSR tracks, will be subject to charges in Item 350.

SECTION 3 – DEMURRAGE

***Item 350 – Demurrage Charges for Commodities Designated as Toxic Inhalation Hazard (TIH)
Constructively Placed***

Railcars containing commodities designated as toxic/poison inhalation hazard (TIH). Inhalation hazard (anhydrous ammonia), and Division 1.1. and 1.2 Explosives, which are constructively placed on TSR tracks, will be subject to charges immediately, without any applicable free time. The following charges will apply until the car is released:

1. Immediately upon notification of constructive placement, the charge will be \$500.00 per car for the first twenty-four (24) hours or fraction thereof.
2. Charges will increase to \$1,000.00 per car for each day, or fraction thereof, for each day thereafter until the car is spotted to customer's track.
3. Upon actual placement, charges will be \$85.00 per car per day, or fraction thereof, for the first five (5) days and \$110.00 per car per day, or fraction thereof, for each day thereafter.

SECTION 4 – LIST OF STATIONS

List of Stations on the Texas & Eastern Railroad

Palestine, TX
Jarvis, TX
Maydelle, TX
Rusk, TX