

Kansas & Oklahoma Railroad Inc.
www.watcocompanies.com



**DEMURRAGE, STORAGE, ACCESSORIAL
AND TERMINAL FREIGHT TARIFF KO 6000**
(Cancels and Supersedes KO 8000 & KO 6005 and supplements thereto)

**CONTAINING DEMURRAGE AND STORAGE CHARGES
RECIPROCAL & TERMINAL SWITCHING AND
MISCELLANEOUS RAILROAD CHARGES
APPLYING AT ALL POINTS ON THE KO**

**FOR GENERAL RULES & CONDITIONS OF CARRIAGE
SEE TARIFF WTS 9011-SERIES**

APPLICABLE ON EXPORT, IMPORT, INTERSTATE AND INTRASTATE TRAFFIC

ISSUE DATE: September 10, 2010

EFFECTIVE DATE: October 1, 2010
(except where otherwise noted)

ISSUED BY:

**T. D. Towner, President
Kirk Hawley, Senior Vice President Marketing Administration
315 West 3rd Street
Pittsburg, KS 66762**

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ITEM 0.05 REFERENCE TO TARIFFS, ITEMS, NOTES, RULES, ETC.

This publication is now available on the Internet for viewing or sending directly to your printer. KO Home Page address is <http://www.watcocompanies.com>. All customers shipping with the KO should review the publications posted on the Website before tendering freight to or from any of the railroads as revisions to the publications will be made from time to time by supplement or reissuing the publications in their entirety.

From the Home Page click the 'Railroads' link, then choose the option called 'Forms & Policies' for the railroad carrier being inquired; this option houses the publications necessary for understanding how to do business with the KO.

If you are not equipped to obtain a copy of this publication from the WATCO web site, a hard copy will be mailed to you, provided you furnish, to the address shown below, a formal written request for a printed copy. This formal request is required on an annual basis in accordance with the 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. **An annual \$100.00 subscription fee will be assessed for those who wish to receive a hard copy.**

Watco Transportation Services
Attn: Marketing Administration
315 West 3rd Street
Pittsburg, KS 66762

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

ITEM 0.10 CONSECUTIVE NUMBERS

Where consecutive numbers are represented in this tariff by the first and last numbers connected by the word "to" or a hyphen, they will be understood to include both of the numbers shown.

ITEM 0.20 CHANGE IN PROVISION(S)

KO reserves the right at any time to change the provisions of this publication; provided, however, any such change shall be effective only with regard to any transportation services provided under the publication for freight tendered after the effective date of the changes. KO will make available on its web site this publication in the latest amended form. Shipper should review this publication before tendering freight to KO. Revisions to this publication will be made from time to time by reissuing the publication in its entirety.

ITEM 0.25 CHARGES HEREIN SUBJECT TO INCREASE

Charges published herein are subject to increase by republication.

ITEM 0.30 CURRENCY

Charges published herein are stated in United States Dollars.

ITEM 0.35 TRANSPORTATION

Carrier agrees to transport shipments with reasonable dispatch. Carrier does not guarantee rail service within any particular time frame. Bunching and Run Around will not be considered railroad error and no allowance will be made.

ITEM 10 **GLOSSARY OF TERMS**

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

ASSIGNED CARS: The assignment of cars to a given shipper at a specific location as defined in Car Service Rule 16 and Car Hire Rule 22 as published in the Official Railway Equipment Register.

ASSIGNEE: A shipper who has requested and has been assigned specific cars.

BILL OF LADING: Uniform Bill of Lading as contained in the Uniform Freight Classification UFC 6000-Series, subject to modification as may from time to time.

BROKER: An agent or intermediary negotiating the buying or selling contents of car, other than shipper or consignee.

BUNCHING: The accumulation of cars for loading or unloading shipped on different days. Since KO does not control the flow of inbound cars from connecting railroads, no allowance can be made in demurrage charges.

CALENDAR MONTH: Defined as 7:01 AM from the first day of one calendar month through 7:01 AM of the first day of the following calendar month.

CALENDAR YEAR: Defined as 7:01 AM January 1st of one year through 7:01 AM January 1st of the following calendar year.

CAR ORDER WANT DATE: The date for which customer requested car for loading.

CHARGEABLE DAY: A twenty-four (24) hours period or fraction thereof for which a charge assessed pursuant to this Tariff can be assessed.

CLOSING EVENT: The event in a car cycle that closes the cycle and results in computation of time and charges.

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

CONSIGNOR or SHIPPER: 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, including order notify and in-bond shipments, cannot be actually placed or delivered because of any condition attributable to the consignee, shipper, loader or unloader, such car will: (a) be held on KO tracks and notice will be sent or given to the party entitled to receive notification that the car is held awaiting disposition instructions; (b) have been placed by KO on private or other than public delivery tracks, including lead tracks serving the consignee, shipper, loader or unloader, will be considered constructively placed without notice.

CONSTRUCTIVE PLACEMENT TIME: The time from constructive placement until a car is actually placed.

DEMURRAGE: Demurrage is a charge for detaining a railcar. Railroads charge demurrage as an incentive for customers to load and unload cars promptly, to prevent congestion in railroad terminals caused by idle cars, and ultimately to improve the utilization of a valuable asset.

DESTINATION: Billing destination, or if such destination is serviced by a terminal yard, then such terminal yard will be considered as the destination.

DISPOSITION: Information, including forwarding instructions and/or release, which allows the railroad to either Tender, as defined in this Item, or release the car from the shipper's, consignee's, loader's, or unloader's account.

DIVERSION: An order from the shipper or consignee to deliver car(s) to other than the original billed destination.

EMPTY CARS ORDERED AND NOT USED: Empty cars ordered, placed or constructively placed for loading and not used in transportation service.

ITEM 10 **GLOSSARY OF TERMS (con't)**

EMPTY RELEASE INFORMATION: Advice from consignee and/or unloader, given to the KO Data Entry Department, electronically via SHIPPER CONNECT, via email to Dataentry@watcocompanies.com or in writing via fax to 1-866-413-5160 (**for fees on faxes, please review WTS 9011-Series**) that car is unloaded and available to KO. Information given must include identity of consignee, and/or unloader, party furnishing the data, car initial, number, date and time. Release will be effective on date and time advice is received by KO.

FORWARDING INSTRUCTIONS: A bill of lading given to authorized personnel of the line-haul carrier that contains all of the necessary information which allows for the immediate movement by KO. Forwarding instructions will be effective on date and time advice is received by KO.

Advice received by KO to move a car from a shipper's loading or storage track to KO' yard or hold track to be held for "forwarding instructions", whether furnished by the party loading car or another party, or a bill of lading or an order consigning the car to an Agent of KO which has no beneficial interest in the lading, does not constitute "forwarding instructions" or a release from demurrage or other like charges.

A bill of lading, or other suitable order, covering car(s) requiring clearance from all carriers in the routing will not constitute "forwarding instructions" until clearance is received from all carriers in the routing.

FREE TIME: The time allowed for the unloading or loading of cars.

IDLER CAR: An empty car used to protect overhanging loads, or used between cars loaded with long material.

INDUSTRIAL INTERCHANGE TRACK: Designated delivery or receipt track or tracks for the exchange of cars between carrier and industry performing their own switching including switch line acting as Agent for Industry.

INDUSTRY TIME: The time from actual placement or placement to team tracks until release and receipt of forwarding instructions, if applicable. The time from interchange receipt of a loaded car or a loaded private car released and held on railroad controlled tracks until forwarding instructions are received.

INTRA-PLANT SWITCHING: A switching movement of cars, loaded or empty, from one track to another track or between two points on the same track, within the same plant or industry without leaving the tracks of the same plant or industry.

INTRA-TERMINAL SWITCHING: A switching movement (other than intra-plant switching) from one track to another track of the same carrier, within the switching limits of one station or industrial switching district.

INTER-TERMINAL SWITCHING: A switching movement (other than intra-plant and intra-terminal switching) between an industrial track or team track on the tracks of KO and an industrial track or team track on connecting lines on traffic having origin and destination within the same switching limits of the same station or industrial switching district. Charges of connecting carriers will be in addition to charges provided herein.

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

LINE-HAUL: Movement between stations that are not located within the switching limits of the same station. Movement between stations located within the switching limits of the same station will be considered Line-haul when customer is not listed as open to reciprocal switching or when movement occurs from or to a leased track.

LOADER: Party physically loading the car.

LOADING: The complete or partial loading of a car in conformity with KO loading and clearance rules, advice that the car is available for movement, and the furnishing of forwarding instructions.

NOTIFICATION: When required, notification will be furnished either electronically or in writing to all parties entitled to receive notification.

ITEM 10 **GLOSSARY OF TERMS (con't)**

ORDER IN CUSTOMER: A customer who, by prior arrangement, has notified KO that cars shall not be placed, or considered to be placed, for loading or unloading, until KO has received an order for placement from said customer.

ORDER IN: In order for a car on constructive placement to be spotted at a customer's facility, the party entitled to receive the car must order the car for placement.

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

PARTIAL UNLOADING: The partial unloading of a car and the furnishing of forwarding instructions.

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

PRIVATE TRACK: Any track not owned or leased by a railroad.

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

RAILROAD CONTROLLED CAR: Any car other than a private car.

RECIPROCAL SWITCHING: An arrangement between carriers serving the same station or switching district where the carrier physically serving the industry performs switching service for loading or unloading on behalf of the other carrier on shipments having an immediately preceding or following line-haul movement via the other carrier. KO will provide reciprocal switching only to or from KO customer specially listed in Section IV of this tariff.

RECONSIGNMENT: Any order from the shipper to bill a car to other than the original destination. (An order to turn over the car to another party, that does not require an additional movement of the car, is not a reconsignment).

REFUSED LOADED CAR: An original loaded car refused at destination without being unloaded.

RELEASE: The notification received from loader or unloader that loading or unloading of a car has been completed and car is available for movement and forwarding instructions have been received, if applicable. Date and time that KO receives forwarding instructions and advice that a car is available for movement and from non-credit customers, upon payment of any charge due. Cars placed on industrial interchange tracks of a industry doing it's 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 this Tariff. Cars found to be improperly loaded at origin will not be considered released until the load has been properly adjusted and clearance has been obtained. When a car is unloaded and then reloaded, empty release information must be furnished. If not furnished, demurrage will be continuous until forwarding instructions are received.

NOTE: Demurrage charges will continue to accrue to the Origin Industry even when cars are released to a Third-party, until the time billing is received from the Third-party.

RESHIPMENT: A new document by which the entire original shipment is forwarded in the same car to another destination.

RUN AROUND: Car(s) placed ahead of previous arrivals.

SHIPPER CONNECT: Online utility that allows user to manage their inventory while online as well as release of empty railcars. Contact RMI Administrator with questions at (866) 889-2826 or email RMISHelpDesk@watcocompanies.com.

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

ITEM 10 **GLOSSARY OF TERMS (con't)**

SPOT ON ARRIVAL: KO, without notification, will place cars for loading or unloading immediately upon their availability for placement.

SPOT ON ARRIVAL CUSTOMER: A customer who has not requested to be an Order In Customer will be considered a Spot On Arrival Customer (see Spot on Arrival). If constructive placement of a car is necessary, the car will not be placed for loading or unloading until KO has received an order for placement from the Spot on Arrival Customer.

STRAIGHT DEMURRAGE: Straight demurrage rules provide for an allowance of a definite period, called "free time," for the loading or unloading of cars and for a definite charge by the day for all cars held beyond that period.

STOPPED IN TRANSIT: When cars are held en route because of any condition attributable to the shipper, or consignee, or owner.

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

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

TENDER: The actual or constructive placement of an empty or loaded car.

TIH/PIH: Toxic Inhalation Hazards (TIH) and Poison Inhalation Hazards (PIH), including all commodities listed in 49 CFR Table 172.101 (Hazardous Materials Table) with a Special Provision code in Column 7 of 1 thru 6, or 13 as defined in 49 CFR §172.102. The terms TIH and PIH are synonymous as they apply to this Tariff.

TIME: Local time is applicable, expressed on the basis of the twenty-four (24) hour clock, commencing at 7:01 AM.

UNLOADER: Party physically unloading the car.

UNLOADING: The complete or partial unloading of a car and notice from the consignee the car is available for movement and the furnishing of forwarding instructions when required.

ITEM 20 **PAYMENT TERMS**

Charges that accrue per this Tariff are due and payable according to KO' payment terms, as stated in WTS Rules Publication 9011-Series, supplements thereto and successive issues thereof, whichever is applicable.

ITEM 30 **SECURITY DEPOSITS FOR PAYMENT OF CHARGES**

KO has the right to demand that a rail customer (KO served shipper, KO served consignee or other KO served party responsible for the payment of demurrage), with a history of delinquency or nonpayment of freight, demurrage or other charges not in bona fide dispute, deposit with KO money or security adequate to pay an **average monthly invoiced services calculated over the past six months or a per car fee based on potential services**. (1) The deposit may be satisfied with cash, letter of credit, surety bond or other appropriate instrument. KO will determine the suitability of the security tendered. (All instruments on deposit are hereinafter referred to as "security")

If a KO invoice not in bona fide dispute is not paid when due, immediately thereafter KO will satisfy the bill by drawing against the security on deposit. Thereafter, the rail customer will be required to reinstate the value of the security to its former level or to another level equivalent to its average monthly invoiced services or per car fee based on potential services.

Should demand be made upon a rail customer for the deposit or maintenance of security as heretofore stated and should the rail customer refuse or fail to deposit or maintain the security, KO may refuse to provide any further rail service until the deposit requirement is fulfilled. If service is refused and rail customer is the subject of congestion, KO will issue an embargo against all rail transportation by KO to and from that rail customer, so long as congestion exists or otherwise continues. In short, carrier may issue and maintain the embargo while the congestion exists, irrespective of rail customer compliance or non-compliance with the Security Deposit provisions in this Item.

No interest will be paid by KO on any security or monies deposited with it. It is within the discretion of the KO to determine when creditworthiness of the rail customer no longer necessitates the imposition of a security or deposit. If rail service to the customer is permanently discontinued, upon satisfaction of all invoiced bills the security on deposit held by KO will be released and returned.

**SECTION I
DEMURRAGE RULES AND CHARGES**

ITEM 40 NOTIFICATION

Notification to Shipper, Loader, Unloader, Consignee, Freight Payer or party entitled to receive notice.

- A. The following notification will be furnished as indicated:
1. Cars for Other Than Public Delivery Tracks:
 - a. Notice of constructive placement shall be sent or given if a car is held on tracks of KO at an available hold point or at billed destination due to any condition attributable to the shipper, consignee, loader or unloader which prevents KO from making actual placement.
 - b. Delivery of car upon tracks of consignee will constitute notice. KO Train Crew will record placement events. The date and time of the KO Train Crew's record will govern the charges in this tariff.
 2. Cars for Public Delivery Tracks:
 - a. Notice of constructive placement shall be sent or given if a car is held on tracks of KO at an available hold point or at billed destination due to any condition attributable to the shipper, consignee, loader or unloader which prevents KO from making actual placement.
- B. Notification will be furnished in writing, electronically, or via mechanical device, and shall contain:
1. Car initials and number
 2. If lading transferred en route, the initials and numbers of the original car.
 3. Commodity
 4. Hold point, if other than billed destination.
- C. When shipper or consignee utilizes an electronic or mechanical device, including fax machines, phone systems and email, to accept messages, notification left on such device will be considered as having been received.
- D. It will be the responsibility of the **KO served customer** (Shipper, Loader, Unloader, Consignee, Freight Payer or party entitled to receive notice) to notify the KO Customer Service at customerservice@watcocompanies.com or a fax at 1-866-413-5160 (**for fees on faxes, please review WTS 9011-Series**) of fax number or email address changes. Should KO receive a failure to deliver message due to any reason attributable to the receiver, such as invalid fax number or email address, notice will be considered to have been given on any Constructive Placement notice attempted to be delivered.

ITEM 50 NOTIFICATION TO KO

KO will accept forwarding instructions, empty release information or, other disposition twenty-four hours via Fax Number 866-413-5160, via EDI or via Shipper Connect (**for fees on faxes, please review WTS 9011-Series**).

All notices to **KO** are effective upon receipt.

ITEM 60 CLAIMS

In order to be allowed relief from a billed amount, a claim must be presented to KO, in writing, within **thirty (30)** days of the billing date, with supporting documentation, stating fully the conditions for which relief is claimed, identifying contested cars by car initial, car number and location.

Claims sent to KO which are not found to be valid will be subject to a **processing fee of \$50.00** for each incorrectly disputed car. Claims are to be sent via email to KOdisputes@watcocompanies.com or to the following address:

Kansas & Oklahoma Railroad
Attn: KO DISPUTES
315 W. 3rd Street
Pittsburg, KS 66762

All charge, for which claims are not received within thirty (30) days, will be considered valid and prompt payment will be expected.

Improper Charges:

If, by error, demurrage or storage charges are improperly assessed, charges will be adjusted to the amount that would have accrued but for such error.

Unacceptable Claims:

Bunching and run around will not be considered railroad error and no allowance will be made.

Weather Interference:

Acts of God: In the event it is impossible for shipper, loader, consignee, or unloader to get to a car or to load or to unload a car due to acts of God, including, but not limited to flood, storm, earthquake, hurricane, tornado, or to other severe weather or climatic conditions, the demurrage directly chargeable thereto will be adjusted, provided the impediment is at least two (2) days in duration.

Strike Interference:

When it is impossible for a shipper or consignee to load or unload or receive cars from or make cars available to KO because of strike interference at the point where the loading or unloading is to be accomplished, demurrage days will be charged for at the rate of **\$35.00 per Demurrage day** during the period of strike interference, provided the disruption exceeds ten (10) days in duration during one calendar month.

Strike Interference provisions will not apply to:

- A. Inbound cars when waybills are dated four (4) days or more after the beginning of strike interference.
- B. Cars for loading when ordered after the beginning and prior to the ending of strike interference.

ITEM 70 APPLICATION

- A. Section I (Demurrage) and Section II (Storage) applies on all cars constructively or actually placed on or after the effective date of this tariff, at all stations on the Kansas & Oklahoma, hereafter referred to as KO. ***This publication takes precedence over any other domestic interstate, intrastate, export or import publication,*** containing rules, regulations and charges on demurrage and storage for the account of the KO, and will be applied on the basis of "Straight Demurrage" as defined in Item 10, between KO and ALL KO SERVED CONSIGNEES AND SHIPPERS.
- B. The disposition of a car at its point of detention determines the purpose for which the car is held and the rules applicable thereto.
- C. All railroad owned and controlled cars, assigned cars, and privately-owned cars, including idler cars are subject to the rules and charges published herein, **EXCEPT** the following:
1. Cars for loading or unloading of KO company material while held on KO tracks or private sidings connecting therewith.
 2. Cars of refused or unclaimed freight to be sold by KO for the time held beyond legal requirements.
 3. Cars of railroad ownership, leased for storage of commodities, for intra-plant or intra-terminal switching service, while held on lessee's tracks and car hire (per diem) is not paid by KO.
 4. Loaded private cars held on private tracks unless under railroad control and made subject to demurrage under the provisions of Item 80 or 90.
 5. Empty private cars held on private tracks
 6. Private cars held on railroad track.
 7. Empty cars ordered and rejected as unsuitable for loading within 48 hours following order date or actual placement date.
 8. If Item 75 is applicable, this Item will not apply.

ITEM 75 CHARGES FOR TOXIC OR POISONOUS INHALATION HAZARD (TIH/PIH)

- A. **Spot on arrival:** rail cars containing Toxic Inhalation Hazard (TIH) or Poisonous Inhalation Hazard (PIH), as defined in AAR Circular No. OT-55, as amended from time to time, must be spot on arrival. In the event a car can not be placed on consignee's or shipper's controlled tracks or at consignee's or shipper's facility upon arrival and the rail car must be held by KO, a charge of **\$2,500.00** per rail car per day, or fraction thereof, will be assessed until the rail car is actually placed. The charges pertaining to this Item are immediate. There will be no free time or holiday free time. The charges will begin at time of constructive placement and will continue until actual placement.
- B. **Held awaiting "forwarding instructions" as defined in Item 10:** When KO is requested to move a car, containing Toxic Inhalation Hazard (TIH) or Poisonous Inhalation Hazard (PIH), as defined in AAR Circular No. OT-55, as amended from time to time, from an industry or team track and the consignee or shipper requesting the move has not provided proper forwarding instructions and such car is moved by KO to a railroad track, and is held awaiting proper forwarding instructions, a charge of **\$2,500.00** per rail car per day, or fraction thereof, will be assessed against the party requesting the move until proper forwarding instructions are received. The charges of this Item are immediate. There will be no free time or holiday free time. The charges will begin on the day car is moved by KO to a railroad track and will continue until proper forwarding instructions are received.

In addition to the above charges, consignees or shippers will be liable for all Federal, State, Local penalties or fines which may be assessed for the holding of rail cars containing (TIH/PIH) on railroad controlled tracks and shall be jointly and severally liable for any loss, damage, or delay to equipment or lading caused by an Act of God, a public enemy, the authority of law, labor strikes, acts of civil disobedience, the inherent nature or character of the lading, natural shrinkage, an act or default of the shipper/consignor, owner or consignee/receiver, or from any cause whatsoever which occurs while the equipment and lading is in the actual physical custody and control of KO due to the inability of the consignee or shipper to receive equipment or provide proper forwarding instructions, unless it can be proven that carrier's gross negligence was the cause of same. Consignees or shippers will be responsible for any cost incurred by KO for providing protection or surveillance of any commodity provided in this Item while held on KO property.

ITEM 80 CARS HELD FOR COMPLETE OR PARTIAL LOADING

LOADING: As defined in Item 10 of this Tariff.

- A. Railroad owned and controlled car(s) that are consigned or ordered for delivery to private tracks are subject to demurrage/storage provisions and charges as applicable in this Tariff while on railroad tracks under constructive placement and while on private tracks.
- B. If Item 75 is applicable, this Item will not apply.

COMPUTATION:

- A. Demurrage computation:
 1. Constructive Placement Time will apply from first 7:01 AM after constructive placement until actual placement
 2. Industry Time will apply from first 7:01 AM after actual placement until release.
 3. Demurrage will apply on all car(s) from first 7:01 AM after constructive placement until release from actual placement (Constructive Placement Time and Industry Time combined and continuous).
 5. Demurrage will apply on all car(s) from first 7:01 AM after release and removal of loaded cars from private track until forwarding instructions are received.
- B. If an empty car is placed prior to date for which it was ordered, demurrage will apply from the first 7:01 AM of the date for which it was ordered. Demurrage days will then accrue until the car is released.
- C. On reloaded cars, demurrage will apply from the first 7:01 AM after advice is received that the car is empty until car is released as a load; provided if advice that the car is empty is not furnished, demurrage will continue until forwarding instructions are received.

ITEM 90 CARS HELD FOR COMPLETE OR PARTIAL UNLOADING

UNLOADING: As defined in Item 10 of this Tariff.

- A. Loaded Private cars held on private tracks at destination will be subject to this Item only when the car is a railroad-controlled car.
- B. Railroad owned and controlled car(s) that are consigned or ordered for delivery to private tracks are subject to demurrage/storage provisions and charges as applicable in this Tariff while on railroad tracks under constructive placement and while on private tracks.
- C. If Item 75 is applicable, this Item will not apply.

COMPUTATION:

- A. Demurrage computation:
 1. Constructive Placement Time will apply from first 7:01 AM after constructive placement until actual placement.
 2. Industry Time will apply from first 7:01 AM after actual placement until released.
 3. Demurrage will apply on railroad owned and controlled car(s) from first 7:01 AM after constructive placement until release from actual placement (Constructive Placement Time and Industry Time combined and continuous).

ITEM 100 CARS HELD FOR PURPOSES OTHER THAN LOADING OR UNLOADING**APPLICABLE TO CARS HELD:**

- A. While awaiting proper disposition from the shipper, loader, consignee, or unloader.
- B. In connection with diversion request
- C. For any other purpose not attributable to KO.
- D. If Item 75 is applicable, this Item will not apply.

COMPUTATION:

- A. Demurrage computation:
 - 1. Constructive Placement Time will apply from the first 7:01 AM after constructive placement until actual placement or disposition advice for re-route to off-line point is received on:
 - a. Cars diverted, reconsigned, refused, reshipped or stopped in transit.
 - b. Empty cars ordered, constructively placed for loading, and not used in transportation service (other than a rejected car as referred to in Item 70).
 - c. Cars waiting for payment of accrued charges.
 - d. Cars held for other purpose, except as covered by Items 80 & 90, which is not attributable to KO.
 - e. Cars with excessive lading held for reduction as described in WTS 9011-Series, supplements thereto and successive issues thereto, whichever is applicable.
- B. Industry Time will apply from first 7:01 AM after received by KO until date and time of disposition on:
 - 1. Cars received from connecting carriers.
- C. Industry Time will apply from first 7:01 AM after actual placement until disposition advice is received on:
 - 1. Cars reshipped
 - 2. Empty cars actually placed for loading, and not used in transportation service.
 - 3. Cars held for any other purpose, except as covered in Items 80 & 90, which is not attributable to KO.
- D. Demurrage will apply on the following from first 7:01 AM:
 - 1. Demurrage will apply on railroad owned and controlled car(s) from first 7:01 AM after constructive placement until disposition of refused car(s) (Constructive Placement Time and Industry Time combined and continuous).

ITEM 105 FREE TIME

Cars for loading or unloading will be allowed forty-eight (48) hours free time. Free time begins at the first 7:01 A.M. after the car is constructively or actually placed (See Item 10), and notification is given (See Item 40).

ITEM 110 DEMURRAGE PLAN AND PRICES

- A. Settlement of charges will be made on a calendar month basis on all cars released during the calendar month.
 - 1. Cars held for complete loading (see Item 80).
 - 2. Cars held for complete or partial unloading (see Item 90).
 - 3. Cars held for purposes other than loading and unloading (see Item 100).
 - 4. Refused loaded cars (see Item 100).
- B. Demurrage charges will be assessed against the facility served by KO (shipper, loader, consignee, or unloader) and they will be responsible for payment of such charges.
- C. **Calculation of charges:** The tariff or special agreement applied will be that in effect when the car is released.
 - 1. On cars subject to demurrage charges after expiration of free time allowed (see Item 105), each chargeable day will be assessed **\$50.00** per Demurrage day.
- D. Adjustments must be handled through the railroad error claim provisions set forth in Item 60.
- E. KO will not allow relief on demurrage days for a car that has been constructively placed from the order-in date until the car is actually placed.
- F. The applicable charge will accrue on all days, except holidays (see Item 115) that fall as the first chargeable day.

ITEM 115 HOLIDAYS & SUNDAYS

Wherever reference is made to “holidays”, it shall mean only the days listed below.

New Years Day (January 1st) (See Note)

Presidents Day

Memorial Day – Last Monday of May

Independence Day – July 4 (See Note)

Labor Day – First Monday of September

Thanksgiving Day – Fourth Thursday of November

Christmas Day – December 25 (See Note)

All Sundays

NOTE: When this date occurs on a Sunday, the following Monday will be observed as the holiday.

**SECTION II
STORAGE RULES AND CHARGES**

ITEM 120 **STORAGE OF LOADED OR EMPTY PRIVATE CARS ON RAILROAD TRACKS**

COMPUTATION OF CHARGES: If the total number of loaded or empty private cars in stored status and available to be ordered in on the next scheduled service exceeds the shipper or consignee's available storage agreement capacity on any particular day, then storage charges will be assessed at a rate of **\$50.00 per Storage day**, except Empty Private Cars held on railroad tracks will be assessed **\$25.00 per Storage day**.

Storage will apply from the first 7:01 AM after notification of availability and constructive placement of empty private cars on railroad tracks until the actual placement on private leased tracks.

RESPONSIBILITY OF CAR: The shipper, receiver, owner or lessee is responsible for the car while in stored status according to the customer storage arrangement in place.

LIABILITY: See WTS 9011 Series.

STORAGE PLAN:

- A. Unless otherwise advised, charges will be assessed against the shipper at origin or enroute, or the consignee at destination, who will be responsible for payment.
- B. Settlement of charges will be made on a monthly basis on each car released from storage during each calendar month.

ITEM 140 **STORAGE OF RAILWAY EQUIPMENT MOVING ON OWN WHEELS**

APPLICATION:

This item applies to railway equipment held on KO tracks that will move or has moved on its own wheels as freight under transportation charges. If Item 75 is applicable, this Item will not apply.

COMPUTATION OF CHARGES: Storage charges will be assessed at a rate of **\$50.00 per Storage day**.

RESPONSIBILITY OF CAR: The shipper, receiver, owner or lessee is responsible for the car while in stored status according to the customer storage arrangement in place.

LIABILITY: See WTS 9011 Series.

STORAGE DAYS WILL COMMENCE:

- A. At Origin or Enroute: From the first 7:01 AM following placement of the equipment in storage and continuing until equipment is released from hold tracks. (Notice of arrival will be given consignee within twenty-four (24) hours after arrival of equipment at hold point).
- B. At Destination: From the first 7:01 AM after notice of arrival is given consignee and continuing until equipment is released from hold tracks. (Notice of arrival will be given consignee within twenty-four (24) hours after arrival of equipment at hold point).

STORAGE PLAN:

- A. Unless otherwise advised, charges will be assessed against the shipper at origin or enroute, or the consignee at destination, who will be responsible for payment.
- B. Settlement of charges will be made on a monthly basis for all equipment released from storage during each calendar month.

ITEM 150 STORAGE OF EXPLOSIVES, HAZARDOUS MATERIALS (OTHER THAN TIH/PIH)**SUBJECT TO TARIFF BOE 6000 (HAZARDOUS MATERIALS REGULATIONS OF THE DEPARTMENT OF TRANSPORTATION)****APPLICATION:**

- A. This Item applies on any car (loaded or residue empty) containing Explosives or Hazardous Materials that is held on railroad controlled tracks, which includes Team Tracks.
- B. Explosives are defined as Class A, B and C Explosives as named in Part 172, Commodity List, Tariff Bureau of Explosives (BOE) 6000-Series.
- C. Hazardous Materials are defined as "Hazardous Wastes" and "Hazardous Substances" as named in Hazardous Materials Regulations of the U. S. Department of Transportation in 40 Code of Federal Regulations (CFR) 260 through 263 and 49 CFR 171.8 or successor thereof, requiring the use 4-digit identification numbers on shipping documents, placards or panels and identified with Standard Transportation Commodity Codes (STCC) beginning with 48 and 49 or beginning with STCC 28 and 29 and converting to STCC 48 or 49.
- D. Demurrage charges will be in addition to the charges provided in this Item.
- E. If Item 75 is applicable, this item will not apply.

STORAGE DAYS WILL COMMENCE:

- A. At Origin: From the first 7:01 AM following release of the car and continuing until a document is given KO containing all necessary information to forward the car.
- B. At Destination: From the first 7:01 AM after notice of arrival is given consignee and continuing until the car is released or placed on private tracks.

STORAGE PLAN:

- A. Charges will be billed on a monthly basis.
- B. Charges will apply per chargeable day until removal from railroad premises.

STORAGE CHARGE: \$150.00 per car, per Storage day.

**SECTION III
SWITCHING AND MISCELLANEOUS CHARGES**

ITEM 160 **INTRA-PLANT SWITCHING**

The KO will perform intra-plant switching on loaded or empty cars at a charge of **\$100.00** per car non-hazardous or **\$150.00** per car hazardous (STCC series 28, 29, 48, & 49).

ITEM 170 **INTRA-TERMINAL SWITCHING**

The KO will perform intra-terminal switching on loaded or empty cars at a charge of **\$165.00** per car non-hazardous or **\$265.00** per car hazardous (STCC series 28, 29, 48, & 49).

Loaded equipment containing STCC series 28 moving in intra-terminal switching service to or from Johns Manville Corp, McPherson, KS will be assessed a charge of **\$165.00** per car.

ITEM 175 **INTER-TERMINAL SWITCHING**

The KO will perform inter-terminal switching on loaded or empty cars at a charge of **\$400.00** per car non-hazardous or **\$500.00** per car hazardous (STCC series 28, 29, 48, & 49).

ITEM 180 **EARLY RELEASE OF CARS PLACED FOR LOADING OR UNLOADING**

When a shipper instructs the release of a car(s) previously placed for loading or unloading, but KO is unable to remove the car(s) because the loading or unloading of the car(s) has not been completed or for other reasons not attributable to KO, the car(s) will remain on demurrage as if the release had not been instructed, and the **intra-terminal switch charge** will apply on each car, up to a **maximum charge of \$1,200** per occurrence.

When the placement of a car(s) cannot be accomplished due to early release of car(s) previously placed for loading or unloading or for other reasons not attributed to KO the car(s) will remain on demurrage as if the car(s) had not been ordered and **the intra-terminal switch charge** will apply on each car, up to a **maximum charge of \$1,200** per occurrence.

ITEM 190 **RELEASE OF CARS WITHOUT FORWARDING INSTRUCTIONS**

When on instructions, loaded or empty cars moving on own wheels, are removed from industry, shop, team track or interchange tracks and are held by carrier awaiting forwarding instructions, a charge of **\$400** per car with a **maximum charge of \$1,200** per bill of lading will be assessed against the loader, shipper, or party taking responsibility for Miscellaneous Charges. If car(s) are subsequently ordered returned to the loader's interchange tracks, the applicable intra-terminal switching charge will be assessed against party requesting the service. **These charges are subject to demurrage charges. Additional charges may also accrue as stated in WTS Rules Publication 9011-Series, supplements thereto and successive issues thereof, whichever is applicable.**

ITEM 200 **EMPTY CARS RETURNED UNUSED**

- A. When an empty car received from a connecting railroad for loading by an industry located on KO is refused by the industry because the car is not in proper condition to load and car must be returned to the connecting railroad, a switching charge of **\$395.00** in one direction only will be assessed against the connecting railroad furnishing the car.
- B. When an empty car received from a connecting railroad is rejected for loading by an industry located on KO, and returned unused for reasons other than described in (A) above, car will be returned to the connecting railroad and a switching charge of **\$395.00** in one direction only will be assessed against the person, firm or corporation ordering the car.
- C. When an empty car furnished by KO (not a connecting railroad) is appropriated to a customer based upon a car order and subsequent notification is give to KO that car(s) is no longer needed, a switching charge of **\$395.00** will be assessed against the person, firm, or corporation ordering the car. Demurrage will also be charged for all detention, including, Saturdays, Sundays and Holidays from the date and time of actual or constructive placement until released, with no free time allowance.

ITEM 205 **ORDERING EMPTY CARS IN FOR PLACEMENT BY SPECIFIC CAR NUMBER**

When empty cars are stored or otherwise held for loading, and customer routinely requests five (5) or more of such cars per day for placement by specific car number (as opposed to ordering in “any empty cars” or “the next cars in line”), then an “Ordering Empty by Car Number” charge of **\$50.00** per car applies. Charge applies regardless of car ownership and whether the cars are stored or held on railroad tracks or on customer lease tracks.

ITEM 210 **CARS INTERCHANGED OR DELIVERED TO KO IN ERROR**

Loaded or empty car(s) received in interchange by KO;

- (i) without billing instructions, or
- (ii) at an interchange not specified in the billing, or
- (iii) when KO is not in the route, or
- (iv) when shipper, consignee or owner changes billing instructions to move car(s) via an outbound carrier other than KO

will be returned to the delivering carrier or forwarded to the proper carrier if interchange with such carrier within the same switching district at a charge of **\$150.00** per car.

ITEM 215 **CHARGES FOR DELAY OF CARS**

A receiving carrier refusing to accept cars when offered by the KO shall pay a delay charge of **\$50.00** per day for each refused car. Such charges will be in addition to all other applicable charges.

ITEM 220 **INDUSTRY SETBACK**

Upon receipt of a request to return car(s) previously released on KO, KO will perform the service at a charge of **\$350.00** per car, provided car(s) is within the switching terminal. If the service of another carrier(s) is necessary to effectively return the car(s) their charges(s) will be **in addition to the \$350.00** per car.

Note: If car(s) is beyond the switching terminal, in addition to any other carrier’s charges, a charge predicated on the distance between traveled on KO between the turning point and point of original release will be assessed as follows: Less than 100 miles = **\$575.00** per car

ITEM 230 **LOCOMOTIVES, DEAD, ON OWN WHEELS**

The applicable charge for switching locomotives, dead on their own wheels will be **\$790.00**, unless specified in another item or publication.

ITEM 235 **REASONABLE DISPATCH**

KO will transport railcars over its line with reasonable dispatch. KO and connecting carrier(s) do not guarantee rail service on any scheduled time frame.

ITEM 240 **OVERSIZED LOADS OR SPECIAL TRAIN SHIPMENTS**

Over-sized shipments, as defined in Note 1, will be handled in regular switching service, as defined in Note 2, whenever possible. The charge for each handling oversized loads, as defined in Note 1, will be **\$800.00** per car and will be assessed in lieu of the regular published intra-terminal switching charges in this tariff.

Special switching service, as defined in Note 2, will be provided at a charge of **\$2,010.00** per car for each special switch, and will be assessed in lieu of the regular published intra-terminal switch charges in this tariff.

Note 1: A shipment shall be defined as over-sized under any of the following conditions:

-lading exceeds twelve (12) feet in width;
-lading extends over the length of the car;
-lading extends twenty (20) feet above the rail;
-lading weighs 200,000 pounds or more.

Note 2: Regular and Special Switching Service Defined:

Regular switching service is defined as a service accorded shipments which can be handled by a regular switching assignment.

Special switching service is defined as a service which cannot be handled by a regular switching assignment because of excess weight, height, width or length and will only be provided when in the judgment of KO special switch service is necessary, or when specifically requested by consignee, shipper, or owner. In any case, special switching service will be performed at carrier's convenience.

Prior to service being performed, KO must receive an email at customerservice@watcocompanies.com or a fax at 1-866-413-5160 (**for fees on faxes, please review WTS 9011-Series**) confirming the request, listing the initial and number of the car(s) previously furnished by phone.

ITEM 250 **SWITCHING OUTSIDE NORMAL OPERATING OR SERVICE HOURS**

- A. The provisions in this Item apply where KO is requested by consignee, shipper, or owner to furnish necessary locomotive(s) and crew(s) to perform industrial switching service at other than normal assigned time for a specific location.
- B. Charges will be assessed at a rate of **\$225.00** per hour or fraction thereof, **subject to a minimum charge of \$675.00**. Charges shall be assessed for each request for switching service, regardless of the number of cars, and will be in addition to any other chargeable services performed in connection therewith.
- C. Consignee, shipper, or owner must provide KO personnel advance notice by phone at 1-866-889-2826 that switching outside of normal operating or service hours will be required, as well as the initial and number of the car(s) to be switched. Prior to service being performed, KO must receive an email at customerservice@watcocompanies.com or a fax at 1-866-413-5160 (**for fees on faxes, please review WTS 9011-Series**) confirming the request, listing the initial and number of the car(s) previously furnished by phone.

ITEM 260 **SPECIAL FREIGHT TRAIN SERVICE**

Special freight train service is defined as a train which is operated on an expedited schedule or under special service or transportation requirements specified by the shipper, consignee or the agent of either at a charge in addition to the applicable class or commodity rates or fares, or a train which is assembled in accordance with instructions give to KO by a shipper, consignee, or agent of either. Upon request and at the convenience of KO, special freight train service will be furnished on KO, subject to the charges and conditions specified in this Item.

- A. Charges will be assessed at a rate of **\$225.00** per hour or fraction thereof, **subject to a minimum charge of \$1,800.00**. Charges shall be assessed for each request for special freight train service, regardless of the number of cars, and will be in addition to any other chargeable services performed in connection therewith.
- B. Consignee, shipper, or owner **must provide KO personnel advance notice by phone** at 1-866-889-2826 as to each special freight train service to be made under this tariff giving KO all necessary information as to such special train movement, including consist, date and time of movement, and any other information and instructions pertinent to such movement, allowing sufficient time for KO to consummate whatever arrangements may be necessary to facilitate the movement of such train, including the assembly of equipment, personnel and other incidental requirements. Prior to service being performed, KO must receive an email at customerservice@watcocompanies.com or a fax at 1-866-413-5160 (**for fees on faxes, please review WTS 9011-Series**) confirming the request, listing the initial and number of the car(s) previously furnished by phone.

ITEM 270 **TURNING CARS TO PERMIT LOADING/UNLOADING**

When a customer requests KO to turn car(s) for the purpose of loading or unloading, KO will bill the customer making the turn request **\$750.00** for each car that KO turns.

ITEM 280 **EMPTY CAR SWITCHING**

When a customer requests KO return a previously received empty car to interchange will be assessed a charge of **\$200.00** per car non-hazardous or **\$400.00** per car hazardous (STCC series 28, 29, 48, & 49) based on the last contents of the car in one direction. This Item applies to all equipment, including but not limited to private car and tank car equipment.

Empty equipment moving to or from facilities for cleaning, lining, relining, maintenance, modification or repair not immediately preceded by or followed by a revenue movement via the KO will be assessed a charge of **\$250.00** per car.

Empty equipment moving to or from Rescar at Wichita, KS for cleaning, lining, relining, maintenance, modifications or repair will be assessed a charge of **\$150.00** per car.

This Item excludes empty cars that fall under the provisions of Item 200. All charges in this item are in addition to any other applicable charges.

ITEM 285 **WEIGHING**

A charge of **\$125.00** per car when scale is en route of movement and no additional switching is required, **\$250.00** per car for out of route movement to weigh. Weigh charges are in addition to any other chargeable services performed in connection therewith.

ITEM 290 **DIVERSION/RECONSIGNMENT CHARGES**

General Application:

- A. When KO has taken physical possession of the car(s) from a connecting carrier.
- B. Diversions/Reconsignments will only be accepted from;
 - a. Payer of Freight
 - b. Authorized Representative/Agent of the Payer of Freight
 - c. Shipper
 - d. Consignee
 - e. Car owner/Lessee
- C. Diversion/Reconsignments will not be accepted
 - a. After car has been interchanged to a connecting carrier
 - b. After actual placement
 - c. Require KO to perform Back hauls or Out-of-Line hauls
 - d. If car is already in an interchange block
 - e. If car is non-revenue empty
- D. KO reserves the right to reject a diversion or reconsignment request for any reason.
- E. KO will make diligent effort to effect desired diversion or reconsignment when the car is in KO possession.
 - a. KO will not assume any responsibility after a car has been classified or assembled into a train for movement, or if car has been “pre-blocked” or “run-through” train service.
 - b. KO will not be responsible for executing a diversion/reconsignment order on a specified day or time of day
- F. KO personnel must receive advance notice by phone at 1-866-889-2826
- G. Once KO personnel approves diversion, KO must receive an email at customerservice@watcocompanies.com or a fax at 1-866-413-5160 (**for fees on faxes, please review WTS 9011-Series**) confirming request with details of where to send charges before diversion will be completed.
- H. Cars diverted or reconsigned prior to arrival of car at billed destination shall be charged a rate of **\$225.00** per car as well as the otherwise applicable tariff charge for the move.
- I. Cars diverted or reconsigned after the arrival of car at billed destination, but not spotted, shall be charged a rate of **\$300.00** per car as well as the otherwise applicable tariff charge for the move.

ITEM 300 **PRIVATE CAR APPLICATION FOR RAILROAD MARKED CARS**

KO is aware that shippers and/or consignees may sometimes lease railcars from other railroads for shipments that may originate or terminate on KO. Such railcars normally contain the reporting marks of the lessor railroad. In order to avoid the assessment of demurrage charges by KO when such railcars are located on private or leased tracks, on KO rail lines, it is necessary that shippers apply to and receive the approval of, KO for the designation of such cars as “private” cars for the purposes of demurrage or storage. KO reserves the right to assess demurrage and storage charges while cars designated as private are on railroad owned tracks.

- A. Shipper and/or consignee must submit a written request to KO not less than thirty (30) days prior to the date that the “private” car designation should take effect to carhire@watcocompanies.com. The request must include:
 - a. Name of Shipper and/or Consignee leasing the railcars
 - b. Name of lessor railroad
 - c. Listing of the reporting marks of the railcars being leased and railcar type(s)
 - d. Length of time requested for the private railcar designation
 - e. Copy of applicable railcar lease (upon request of KO)
- B. KO will provide a written reply to each request within thirty (30) days of receipt of the request. KO, in its sole discretion may accept or reject the request in whole or in part. KO may accept a smaller number of railcars than requested and/or for a shorter amount of time.

ITEM 310 **PRIVATE CAR MILEAGE**

The KO is not a party to the 6007 Tariff covering private car mileage, therefore does not pay private car mileage.

**SECTION IV
RECIPROCAL SWITCHING**

ITEM 320 RECIPROCAL SWITCHING

HUTCHINSON

Between Industries listed within this item and KO interchange with BNSF:

<u>Customer Name</u>	<u>Rate Per Car</u>
Krause Plow	\$312.00
Midwest Iron	\$312.00

WICHITA

Between Industries listed within this item and KO interchange with BNSF:

<u>Customer Name</u>	<u>Rate Per Car</u>
Air Products & Chemical	\$300.00
DeBruce Grain	\$ 93.00 (Notes 1 & 2)
Garvey International (Public Whse)	\$200.00
LaFarge NA	\$200.00
Occidental Chemicals	\$300.00 (Note 3)
	\$200.00 (Notes 4)
Pioneer Materials	\$200.00
Rich Mix	\$200.00
Westar (Murray Gill Plant)	\$300.00
Weyerhaeuser	\$200.00

- Note 1: Grain (01) ONLY
- Note 2: Except on traffic originating from Hutchinson, KS
- Note 3: Chemicals ONLY
- Note 4: All commodities except chemicals

ITEM 335 SPECIAL RECIPROCAL SWITCHING

When a reciprocal switching movement cannot be handled in regular train service, additional charges for the special handling will be assessed in addition to any other charges applicable to the movement. Additional charges are as follows:

- A. For the first five (5) cars in the same movement **\$1,200.00 per movement**
- B. For each additional car in excess of five (5) cars in the same movement **\$138.00 per car**

ITEM 340 EQUIPMENT SUPPLIED FOR SPECIFIC DESTINATION OR JUNCTIONS

Empty cars that are ordered or supplied for specific destination or junctions that are loaded and billed to travel other than ordered or supplied route will incur a charge of **\$500.00** per car. This charge will be assessed by the KO.

NOTE: Charges can also be imposed by other roads involved or car owners.

ITEM 350 MILEAGE ALLOWANCE ON SHIPPER OWNED OR LEASED CARS

Shipper owned or leased cars moving under freight rates published in this tariff or in any connecting line tariff will be zero rated on the KO.

ITEM 360 ITEMS FORMERLY SHOWN

WTS 9011 tariff series may contain items formerly shown in this tariff. Items covered in WTS 9011 tariff series that formerly were located in this tariff will become effective in WTS 9011 tariff series on the effective date of this tariff issuance.