

FREIGHT TARIFF WTS 9011-P RULES TARIFF

Watco Transportation Services, LLC



RULES PUBLICATION TARIFF

(Replaces and Supersedes all individual railroad tariffs falling under Watco Transportation Services and supplements/revisions thereto)

GENERAL RULES AND CONDITIONS OF CARRIAGE

APPLICABLE ON EXPORT, IMPORT, INTERSTATE AND INTRASTATE TRAFFIC

ISSUED BY:

Leah Woods – Director of Pricing
8000 W 110th St Suite 200
Overland Park, KS 66210

www.watco.com
PricingAdministration@watco.com

FREIGHT TARIFF WTS 9011-P

RULES TARIFF

SUBSCRIBING RAILROADS

AA
ABWR
ABS
ACR
ARS
AUT
AWRR
BRS
BHRR
BLU
BVRR
DREI
DUSR
EIRR
EJSR
FOXY
GDLK
GLC
GRNW
GOGF
ITHR
JXPT
KNWA
KAW
KO
LAS
LBWR
MMT
MSR
PCC
PVS
PSWR
RWRR
SAC
SKOL
SLWC
SMO
SRRR
SVHO
TXN
TCBR
TIBR
VESO
VSOR
WSOR
YSVR

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CHECK SHEET OF ITEMS AND REVISIONS

The items contained in this publication are listed consecutively by number. The paragraph that has been changed within an item will contain one of the following reference marks placed next to the item number:

(A) Denotes increase

(R) Denotes reductions

(C) Denotes changes in wording neither which result in increases nor reductions in charges

(N) Denotes new item

In addition, the effective date of the revised item will be added to this index page "CHECK SHEET OF ITEMS AND REVISIONS" to identify which item(s) have been changed

Revision Type	Item Number and Description	Effective Date
(N)	320- LOSS, DAMAGE, AND DELAY OF EQUIPMENT AND LADING	May 28,2008
(C)	320 – LOSS, DAMAGE, AND DELAY OF EQUIPMENT AND LADING	January 1, 2009
(A) (N)	450 – TRANSACTION FEE – SHIPPER INSTRUCTIONS	January 1, 2009
(C)	NEW RAILROAD SUBSCRIBER – BATON ROUGE SOUTHERN (BRS)	January 1, 2009
(C)	310 – LOADING AND UNLOADING OF EQUIPMENT	January 1, 2009
(C)	120 – CREDIT EXTENSION	January 1, 2009
(C)	NEW RAILROAD SUBSCRIBER – GRAND ELK (GDLK)	April 1, 2009
(N)	40 – BANKRUPTCY OR INSOLVENCY	April 11, 2009
(N)	480 – DIMENSIONAL PRE-CLEARANCE PROPOSAL	April 11, 2009
(C)	NEW RAILROAD SUBSCRIBER – ALABAMA WARRIOR (ABWR)	August 7, 2009
(C)	NEW RAILROAD SUBSCRIBER – BOISE VALLEY (BVRR)	November 22, 2009
(C)	NEW RAILROAD SUBSCRIBER – AUTAUGA NORTHERN (AUT)	April 09, 2011
(C)	SOME RAILROAD SUBSCRIBERS CHANGED NAME FROM INC to LLC	April 09, 2011
(C)	NEW RAILROAD SUBSCRIBER – PACIFIC SUN (PSRR)	April 09, 2011
(C)	NEW RAILROAD SUBSCRIBER – PENNSYLVANIA SOUTHWESTERN (PSWR)	April 09, 2011
(C)	120 – CREDIT EXTENSION	April 09, 2011
(C)	300 – OVERLOADED CARS	April 09, 2011
(A) (C)	310 – LOADING AND UNLOADING OF EQUIPMENT	May 01, 2011
(C)	NEW RAILROAD SUBSCRIBER – SWAN RANCH RAILROAD (SRRR)	January 1, 2012
(C)	NEW RAILROAD SUBSCRIBER – BIRMINGHAM TERMINAL RAILWAY (BHRR)	March 1, 2012
(C)	NEW RAILROAD SUBSCRIBER – SAN ANTONIO CENTRAL RAILROAD (SAC)	September 1, 2012
(C)	NEW RAILROAD SUBSCRIBER – PECOS VALLEY RAILROAD (PVS)	September 1, 2012
(C)	NEW RAILROAD SUBSCRIBER – WISCONSIN AND SOUTHERN RAILROAD COMPANY (WSOR)	April 1, 2013
(C)	80 – CHANGE IN PROVISION (S)	April 1, 2013
(C)	120 – CREDIT EXTENSION	April 1, 2013
(C)	NEW RAILROAD SUBSCRIBER – ANN ARBOR RAILROAD (AA)	January 1, 2014
(A) (C)	120 – CREDIT EXTENSION	January 1, 2014
(C)	30 – APPLICATION GENERAL	January 1, 2014
(C)	80 – CHANGE IN PROVISIONS(S)	January 1, 2014
(N)	130 – OVERCHARGE, OVERPAYMENT OR DUPLICATE PAYMENT CLAIM PROVISIONS	January 1, 2014
(N)	330 – MULTI CAR SHIPMENTS	January 1, 2014
(N)	315 – RAIL OPERATIONS-ORDER/NOTIFY SHIPMENTS	January 1, 2014
(N)	390 – RETURNED, REFUSED OR REJECTED SHIPMENTS	January 1, 2014
(C)	310 – LOADING AND UNLOADING OF EQUIPMENT	January 1, 2014
(C)	450 – TRANSACTION FEE – SHIPPER INSTRUCTIONS	July 26, 2014
(C) (R)	470 – ORIGINATION BILLING	July 26, 2014
(C)	NEW RAILROAD SUBSCRIBER – BLUE RIDGE SOUTHERN RAILROAD (BLU)	July 26, 2014
(C) (A)	CREDIT EXTENSION, PAYMENT AND DISPUTES	May 01, 2015
(N)	490 – PERISHABLES	August 1, 2015

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(C)	NEW RAILROAD SUBSCRIBERS – DECATUR & EASTERN ILLINOIS RAILROAD (DREI) GEAUX RAILROAD LLC (GOCR), ITHACA CENTRAL RAILROAD LLC (ITHR), JACKSONVILLE PORT TERMINAL RAILROAD LLC (JXPT), KANAWHA RIVER RAILROAD LLC (KNWA)	August 1, 2019
(C)	320 – LOSS, DAMAGE, AND DELAY OF EQUIPMENT AND LADING	October 22, 2019
(N)	NEW RAILROAD SUBSCRIBER ELWOOD, JOLIET AND SOUTHERN RAILROAD LLC (EJSR)	October 28, 2020
(N)	NEW RAILROAD SUBSCRIBER DUTCHTOWN SOUTHERN RAILROAD LLC (DUSR)	January 15, 2021
(C)	ITEM 480 – VERBAIGE CHANGE	April 1, 2021
(N)	NEW RAILROAD SUBSCRIBER RINGNECK AND WESTERN RAILROAD LLC (RWRR)	May 25, 2021
(N)	NEW RAILROAD SUBSCRIBER FOX VALLEY & LAKE SUPERIOR RAIL SYSTEM LLC (FOXY)	January 29 th , 2022
(N)	NEW RAILROAD SUBSCRIBER AGAWA CANYON RAILROAD ULC (ACR)	January 29 th , 2022
(N)	NEW RAILROAD SUBSCRIBER TEXAS COASTAL BEND RAILROAD LLC (TCBR)	August 3 rd , 2022
(N)	ITEM 325 – LIABILITY AND INDEMNITY	September 14, 2023
(N)	New Subscribing Railroad (VESO)	March 1 st , 2024
(C)	ITEM 320 – ADDED VERBIAGE	December 1 st 2024
(N)	ITEM 140 – CASH APPLICATION	June 1 st , 2025
(N)	NEW RAILROAD SUBSCRIBER GREAT LAKES CENTRAL RAILROAD INC (GLC)	January 1 st , 2026
(N)	NEW RAILROAD SUBSCRIBER SMOKY RIDGE RAILROAD LLC (SMO)	February 5 th , 2026
(C)	Updated Subscribing Railroads to SCACs only	March 1 st , 2026
(C)	ITEM 450 – updates to contacts and processes	May 6 th , 2026
(C)	Updated ABS, ARS, LAS, MSR & VSOR as subscribing RRs	September 1 st , 2026

WATCO WEB SITE *ITEM 5*

www.watco.com

BANKRUPTCY OR INSOLVENCY *ITEM 40*

In the event Shipper or Consignee files or is the subject of a filed petition in bankruptcy and has a transportation contract or other agreement with a subscribing carrier (collectively "Agreement"), Shipper/Consignee will, as soon as practicable:

1. Identify carrier as a "Critical Vendor" of essential services as that term is interpreted and understood within the context of a bankruptcy proceeding;
2. Identify any Agreement with carrier under which there remains continuing unperformed obligations; and,
3. Choose to elect to either assume or reject such Agreements identified pursuant to paragraph (2) above within sixty (60) days of the date of the filing of the petition in bankruptcy.

In the context of a bankruptcy proceeding, no Agreement identified under paragraph (2) may be assigned without carrier's consent, unless carrier is given adequate assurance of future performance by the assignee. Such adequate assurance will include, but not necessarily be limited to, a deposit with carrier as security for the timely payment of invoices for services rendered in an amount equal to the average (30) day accrual for such charges.

BILL OF LADING *ITEM 60*

Services provided by carrier(s) subject to the conditions of this publication shall also be subject to the terms of the Uniform Bill of Lading as contained in the Uniform Freight Classification UFC 6000-Series, subject to modification as may from time to time be established under separate agreement and irrespective of whether a Bill of Lading is actually executed. Where provisions specifically provided in this publication conflict with Bill of Lading provisions themselves as contained in said Uniform Freight Classification, provisions of this publication shall apply.

CHANGE IN PROVISION(S) *ITEM 80*

All carriers party to this publication reserve 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 this publication for freight tendered after the effective date of the changes. Subscribing carrier(s) will make available on its web page of the Watco Companies, L.L.C. website this publication in the latest amended form. Shippers and Consignees should review this publication before tendering or receiving freight that originates or terminates on any carrier. Revisions to this publication will be made from time to time by reissuing the publication in its entirety. Provisions formerly shown in WTS 9011-M and not brought forward in WTS 9011-N are hereby canceled.



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CHARGES HEREIN SUBJECT TO INCREASE

ITEM 110

Charges published herein are subject to increase by republication

CREDIT EXTENSION, PAYMENT AND DISPUTES

ITEM 120

1. Shipments must be accompanied by full payment of charges unless the party responsible for payment of charges has established credit to the satisfaction of the carrier responsible for collection of charges.
 - (a) Payment of all charges shall be made according to the terms established by the billing carrier. Freight charges are due within fifteen (15) calendar days from the date of the freight bill. Accessorial charges (e.g. demurrage, switching, weighing) – are due within 30 calendar days from the date of the accessorial bill.
 - (b) Payment shall be deemed to have been made upon receipt funds in carrier's bank.
 - (c) The term "freight bill" and "accessorial bill" as used in this item includes paper documents, billing by electronic data interchange ("EDI"), email, and any invoice procedures.
2. In no event shall any amount(s) claimed against carrier(s) be deducted from or offset against freight or other charges due hereunder. In the event that an amount(s) is deducted or offset against freight or other charges due carrier(s), the party making such offset or deduction will be assessed a service charge of ten percent (10%) plus one and one half percent (1 ½%) per month of the amount offset or deducted. Freight charges or other charges due must be paid in full, and any claim against carrier(s) must be asserted separately in accordance with the applicable procedure listed in individual carrier(s) tariff as well as the outlined instructions below in number 6 of this item.
3. In the event freight charges or other charges are not paid in full, the carrier owed will assess a finance charge of the lesser of 12% per annum 1% per month or portion thereof, or the maximum amount permitted by law on the unpaid bills or portion thereof which are past credit terms. The finance charge will accrue daily on the unpaid balance from the first day following the end of the credit term until date of receipt of payment in full by the carrier. The finance charge will not apply against disputed charges that are found by carrier to have been incorrectly billed. The finance charge will be billed monthly for all charges that were not paid within the applicable credit period in the prior calendar month.

CREDIT EXTENSION, PAYMENT AND DISPUTES (continued)

ITEM 120

4. Carrier(s) may at any time, at its sole discretion, revoke credit privileges and institute any one or more of the following procedures:
 - (a) Require that applicable freight charges be paid by a person or entity with approved credit status with applicable carrier.
 - (b) Require that the consignor or consignee responsible for the payment of freight or accessorial charges tender one or more of the following: Standby Irrevocable Letter of Credit and/or a Surety Bond and/or a personal or corporate guarantee of indebtedness and/or a sufficient cash deposit.
 - (c) Assess demurrage charges on rail cars placed in hold status while awaiting payment. When rail cars are held in transit awaiting payment, demurrage will be assessed following the sending or giving of notice of arrival and are subject to the demurrage charges in the applicable tariff of the rail carrier in which car is located.
5. As used in this item: (a) the term "shipper" includes without limitation consignors, freight forwarders, shippers' associations, and shippers' agents and (b) the term "consignee" includes without limitation consignee, un-loaders, and trans-loaders and (c) the term "charges" or "freight charges" include without limitation transportation charges, switch charges, demurrage, detention, and other accessorial charges that may accrue in connection with a shipment.
6. In the event that there are bills being disputed, an explanation should immediately be submitted to applicable carrier {not later than the time set out in Section 1 (a) above.} Note: Payment of any bill, which is subsequently alleged to be incorrect, will not prejudice the shipper's claim, filed within the statutory period (see ITEM 130). Should a shipper receive bills that they are not responsible for paying, they should immediately notify the rail carrier {not later than as prescribed by the time set out in Section 1(a) above.}
7. Any relief claimed must be a direct result of applicable carrier's control, as the carrier(s) will not be liable for conditions of other rail carriers not party to this publication that adversely affect the Shipper or Consignee.

In order to be allowed relief from a billed amount, a dispute must be presented to subscribing railroad, in writing, {not later than as prescribed by the time set out in Section 1(a) above.}, with supporting documentation, stating fully the conditions for which dispute is being presented, identifying contested cars by car initial, car number and location.

Disputes sent to subscribing railroad which are not found to be valid will be subject to a **processing fee of \$50.00** for each incorrectly disputed car.

8. All disputes not received within thirty (30) days will result in invoice being considered valid and prompt payment will be expected.

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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. Notification of this impediment must be made to CS1@watco.com. Customer will notify Customer Service within 24 hours of interference, and will provide daily updates until back in service.

CREDIT EXTENSION, PAYMENT AND DISPUTES (continued) ITEM 120

9. The following email addresses make it simple and quick to submit a dispute:

AADisputes@watco.com
ABSDisputes@watco.com
ABWRDisputes@watco.com
ACRDisputes@watco.com
ARSDisputes@watco.com
AWRRDisputes@watco.com
AUTDisputes@watco.com
BRSDisputes@watco.com
BHRDisputes@watco.com
BLUDisputes@watco.com
BVRDisputes@watco.com
DREIDisputes@watco.com
DUSRdisputes@watco.com
EIRDisputes@watco.com
EJSRdisputes@watco.com
FOXYDisputes@watco.com
GRNWDisputes@watco.com
GDLKDisputes@watco.com
GLCDisputes@watco.com

GOGRdisputes@watco.com
ITHRDisputes@watco.com
JXPTDisputes@watco.com
KODisputes@watco.com
KAWDisputes@watco.com
KNWADisputes@watco.com
LASDisputes@watco.com
LBWRDisputes@watco.com
MMTDisputes@watco.com
MSRDisputes@watco.com
PCCDisputes@watco.com
PVSDisputes@watco.com
PSWRDisputes@watco.com
RWRRDisputes@watco.com
SACDisputes@watco.com
SKOLDisputes@watco.com
SLWCDisputes@watco.com
SMODisputes@watco.com

SRRRDisputes@watco.com
SVHDisputes@watco.com
TIBRDisputes@watco.com
TCBRDisputes@watco.com
TXNDisputes@watco.com
VESODisputes@watco.com
VSORDisputes@watco.com
YSVRDisputes@watco.com
WSORDisputes@watco.com

Note: Payment of any bill, which is subsequently alleged to be incorrect, will not prejudice the shipper's claim. Should any party receive bills that they are not responsible for paying, they should immediately notify the rail carrier (not later than as prescribed by their authorized Credit Terms.)

10. It is understood that any payment of amounts less than as stated on an invoice will be considered: "Payment-on-Account" and not as: "Payment-in-Full" (not withstanding any notation to the contrary as to the payer's intent.) Acceptance by rail carrier of a lesser amount will not constitute an accord and satisfaction. In such a situation, the payer will be advised of the remaining balance deemed due (after the application of the funds received has been attempted, as specified by payer.)

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11. Shippers and consignees shall be liable for payments of the transportation charges accruing on a shipment, and nothing herein shall limit the right of carrier(s) to require at time of shipment the prepayment of charges or guarantee thereof. If transportation charges have not been prepaid, or shipper and consignee have not entered into an agreement for credit with applicable carrier, that carrier may withhold delivery of the shipment until payment or guarantee by shipper or consignee of all charges. Placement of equipment by any carrier for unloading or loading shall be deemed acceptance of shipment and/or equipment.
12. Acceptance of shipment by consignee or beneficial owner shall be deemed acceptance of responsibility for payment of all charges accruing on the shipment, including demurrage and switching services performed at destination. Such payment shall be in U.S. money and will not be reduced to offset claims, damages to property or for other reasons. The issuance of a Shipping Document for a shipment consigned "to order", or to one party with directions to notify or advise another party as a prior condition to delivery, is prohibited, unless prior written arrangements have been made.
13. Except as otherwise authorized by an Exempt Rate Quotation, or a Contract, a shipment requiring ascertainment of weight at destination by reason of a destination weight agreement in order to determine applicable freight charges, must be tendered as a collect shipment.

OVERCHARGE, OVERPAYMENT OR DUPLICATE PAYMENT CLAIM PROVISIONS

ITEM 130

Claim requirements, time limits – Carrier(s) will accept a whole or partial claim for overcharge, over collection or duplicate payment only if the claim is in writing and contains sufficient information for carrier to conduct an investigation, including the name of the claimant, which must be the payer; claimant's claim number; the amount of the claim; the original freight bill; freight bill payment information and supporting documents, which show, among other things, that carrier collected all of the charges at issue; and, in the case of overcharges, the rate, weight, commodity, description and supporting authority (quotation, etc.) claimed to be applicable. The claim must be filed within two (2) years of the date of delivery or tender of delivery by carrier for which claim is being filed with.

Where movements over a subscribing carrier form a segment of a through movement involving other non-subscribing rail carriers and time limitations for filing overcharge claims differ among the rail carriers involved in the through movement, the time limitation contained in the publication of the rail carrier with the shortest time limit will apply for overcharge claims against the subscribing carrier.

CASH APPLICATION

ITEM 140

Customers are required to specify the invoice being paid when tendering payment to Watco. If Customer tenders payment without identifying an accompanying invoice for the application of payment, Watco will take the following steps:

- Review the Customer's outstanding invoices to determine if there is an invoice with an amount due equal to the payment amount. If such an invoice is identified, the payment will be applied to that invoice.
- If no such invoice is identified, Watco will contact the Customer once by phone and/or email to obtain the Customer's preferred invoice(s) for application of payment.

If a Customer does not respond to Watco's request for clarification within ten (10) business days, the payment will be applied in the order specified below. Payments applied according to this policy will not be reversed or reallocated.

1. Undisputed, past due line-haul invoices, from oldest to most recent
2. Undisputed, past due supplemental invoices or other miscellaneous charges, from oldest to most recent
3. Undisputed, outstanding late-fees and finance charges, from oldest to most recent
4. Undisputed, outstanding line-haul invoices, from oldest to most recent
5. Undisputed, outstanding supplemental invoices or other miscellaneous charges, from oldest to most recent

NCONSECUTIVE NUMBERS *ITEM 150*

Where consecutive numbers are represented in this publication by the first and last numbers connected by the word 'to', they will be understood to include both of the numbers shown.

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DUNNAGE *ITEM 160*

Except as otherwise provided in an agreement, temporary blocking, flooring or lining, corrugated fiberboard or plywood separators or dividers, standards, strips, stakes or similar bracing or supports (hereinafter referred to as dunnage), bulkheads, partitions, temporary doors or door protection, not constituting a part of the car, when required to protect and make freight secure for a shipment must be furnished and installed by shipper and at shipper's expense. The term "dunnage" does not include excelsior, hay sawdust, shavings, shredded paper, straw, packing cushions or pads or similar packing material. Except as provided in this paragraph or the paragraph below, an allowance of actual weight, but not in excess of 2,000 pounds, will be made for dunnage used when such materials are required for safe transportation of freight provided in no case shall less than the established minimum carload weight be charged for.

No allowance will be made for dunnage used in connection with bulk freight. No allowance for dunnage used will be made unless shipper specified total actual weight of dunnage on the Bill of Lading. Transportation charges for dunnage, when made, shall be at the rate applicable to the freight which it accompanies.

GOVERNING LAW *ITEM 200*

To the extent not governed by Federal law, the laws of the state of Kansas without regard to conflict of law provision shall govern the construction and interpretation of this publication and all rights and obligations of the parties.

LOADING AND UNLOADING *ITEM 220*

Consignors and consignees are required to load and unload cars.

MAXIMUM WEIGHT ON RAILS *ITEM 230*

All freight cars in the absence of maximum loading limits stenciled thereon, equipped with AAR standard axles may be loaded as provided in **Association of American Railways Field Manual Rule 70**. If the Marked Capacity is as shown under [A] below, the Total Weight on Rail will be as shown under [B] below:

[A]-----	[B]
80,000 pounds-----	142,000 pounds
100,000 pounds -----	177,000 pounds
140,000 pounds -----	220,000 pounds
200,000 pounds -----	263,000 pounds
227,000 pounds -----	286,000 pounds

Carriers will not accept any TOFC or COFC units with a gross weight exceeding the maximum gross weight permissible under Federal, State and/or Municipal Weight Laws, but in no case shall the combined gross weight exceed 65,000 pounds. Gross weight means combined weight of trailer and lading.

OVERLOADED CARS *ITEM 300*

An overloaded car is defined as a rail car for which either the net weight (actual weight of freight including all other materials incidental to the movement of the goods) is in **excess of the car's authorized load limit** (as listed in Universal Machine Language Equipment Register-UMLER), 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 the track weight limitations** at any point along the route of movement. To determine track weight limitation at any point along the route of movement for carrier(s), you can access the following link and click on the "Track Capacity Map" for the railroad carrier being reviewed: <https://www.watco.com/services/rail/>

If car is overloaded, shipper is responsible for the removal and disposal of the excess portion of the lading of the car. Carrier(s) will not be responsible for damaged goods, or loss of lading resulting from the process of removing excess portion and carrier(s) will not assume responsibility for the proper loading or unloading of any lading into or out of a car containing excessive lading. All charges referred to are assessed as a deterrent to the unsafe practice of overloading rail cars and are not connected in any way with the line-haul transportation charges. These charges are not freight or "or other lawful charges" within the meaning of Section 7 of the Bill of Lading, and the execution of Section 7 will not in any way relieve the shipper from the responsibility for the charges set forth in this item.

If shipper does not produce a certified weight document, in a form acceptable to applicable carrier, indicating that the excess tonnage has been removed from each car, weighing charges for each overloaded car, including applicable switch charges as published in applicable carrier's Tariff covering switching charges, will be assessed against the shipper in addition to all other charges named in this publication.

If a car is found to be overloaded at origin after having been removed from industry or if a car is found to be overloaded at railroad tracks

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where loaded or if a car is found to be overloaded after the car has departed the origin station, the overloaded car(s) will be placed at a point of carrier's choosing until the excess lading is removed and will be subject to a surcharge of **\$750.00 per car, and an intra-terminal switch charge** (if point is on a WTS carrier), **or an inter-terminal switch charge** (if point is on a carrier other than a WTS carrier, but within the switch limits) as provided in applicable carrier's Tariff covering switch charges, and the applicable freight charges. Shipper will be notified via telephone, fax or by an electronic means and shall remove the excess lading at the operating convenience of applicable carrier. Cars found to contain excess lading at origin will remain on continuous demurrage under the provisions found in applicable carrier's Tariff covering demurrage charges, until the excess lading is removed.

If the shipper fails or refuses to arrange to have the excess lading removed from each car within one hundred and twenty (120) hours from the date and time of notification, carrier(s) may, at its discretion, arrange for removal and disposal of the lading in excess of the weight limit needed to allow the car to continue safely to destination. The shipper will be assessed and pay actual cost of removal and disposal to the party removing the lading from the car. If shipper/consignor has not commenced reducing the excess portion from each car after two hundred and forty (240) hours from the date and time of notification, the lading in the car will have been deemed abandoned and carrier(s) may, at the option of carrier's Freight Claim Department sell or dispose of the lading. All charges (switching, weighing, demurrage, reduction and disposal expense) resulting from the overloaded car, will be deducted from the proceeds of sale.

If a car found to be overloaded can be safely moved, or is discovered as overload at destination, a surcharge of **\$750.00 per car** will be applicable.

LOADING AND UNLOADING OF EQUIPMENT

ITEM 310

LOADING: 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 carrier's Damage Prevention Services 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 carrier(s) that there was insufficient or improper loading, bracing or blocking, the shipper shall be assessed **\$1,000.00 per car and will additionally be responsible for all loss, costs and expenses, including but not limited to 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 is released.**

UNLOADING: Upon arrival and placement of supplied equipment for unloading at destination, consignee (unloader) will be responsible for unloading the equipment in a manner which does not damage the equipment, closing doors if so equipped, and for releasing the equipment in a condition suitable for reloading a similar commodity by another shipper. If unloader refuses or fails to remove all lading, dunnage, blocking, bracing, strapping, miscellaneous debris, or other material that was part of the inbound shipment, secure interior loading devices, or places additional material into the equipment before releasing the car, and the carrier discovers such failure and proceeds to remove or have removed such debris or when it is determined by rail carrier(s) that there was improper unloading, the consignee shall be assessed \$1,000.00 per car and will additionally be responsible for all loss, costs and expenses, including but not limited to 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 is released.

If damage or shortage is noted at destination, the carrier or the carrier's contracted agent performing inspections at the destination shall be notified at once and given twenty-four (24) hours to inspect the vehicle while still under load. Evidence of unauthorized entry or damage should be noted on the inspection report before the vehicle is removed from carrier's premises. Failure of carrier to make an inspection of the vehicle and load shall not be considered a waiver of any defense to claims or suits.

RAIL OPERATIONS-ORDER/NOTIFY SHIPMENTS

ITEM 315

Specialized rail handling such as 'do not hump'; speed restrictions and equipment size are special rail services and not routine rail services. Unless agreed to in writing by both the carrier and shipper, any restrictions on rail handling placed by shipper upon a particular car (including but not limited to "do not hump" signs, notations as to speed or other restrictions on a bill of lading, EDI notations) shall have no effect and be void. Shippers desiring special handling must contact carrier to arrange special handling. Carriers do not provide Order/Notify service. Bills of lading or shipping instructions tendered to carrier in the form of an order/notify bill of lading will be handled as straight bills of lading. Instructions to the effect of requiring carrier to not complete delivery of a shipment until either securing authorization for delivery from the shipper or some other party, surrender of the bill of lading or notification by carrier to the shipper or some other party shall have no effect and be void regardless of whether such instructions are contained in a straight or an order/notify bill of lading; and carrier shall have no liability for delivering a shipment to the consignee listed in the bill of lading in such circumstances.

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LOSS, DAMAGE, AND DELAY OF EQUIPMENT AND LADING

ITEM 320

The WTS Railroad shall not be 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 not in the actual physical custody and control of carrier(s). The shipper and consignee shall be jointly responsible for all loss, costs and expenses, including but not limited to the repair of damaged *equipment* (including complete loss of use), loss or damage to cargo, transfer services and derailment costs.

The shipper and the consignee named in the bill of lading or waybill 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 carrier(s) due to the inability of the shipper, consignee, or their disclosed agent to receive equipment as identified by constructive placement or storage status unless it can be proven that carrier's gross negligence was the cause of same. The shipper and consignee shall be jointly responsible for all loss, costs and expenses, including but not limited to the repair of damaged equipment (including complete loss of use), loss or damage to cargo, transfer services and derailment costs.

The WTS Railroad does not guarantee rail service within any particular time frame. The WTS Railroad will hold **a maximum liability for loss or delay of, or damage to, the freight at \$100,000**. Claim reimbursement will be at the manufacturing cost, not at retail price. The WTS Railroad is not liable for special or consequential damages or for damages due to market decline.

Water Damage:

In cases of claims for water damage, WTS may request photographic or other evidence that the railcar/container was dry at origin and that water damage occurred in transit, failing which the claim may be denied.

Refused Shipments:

If a shipment is refused due to WTS negligence, the operating customer is responsible for documenting any lading not deemed acceptable upon delivery. Such documentation includes photographs of such lading, the reason for refusal and any other documentation necessary to explain the reasons of refusal. The operating customer must contact WTS in order to allow WTS to inspect at its sole discretion. WTS reserves the right to salvage the product to minimize loss. If the product must be destroyed by the operating customer, a "Certificate of Destruction" must be provided to WTS along with the claim and the above documentation. WTS may refuse any claim in cases where lading is disposed of before communicating with WTS.

Special and Consequential Claims:

To the maximum extent permitted by applicable law, WTS is not liable for special or consequential damages, including market decline claims, products deterioration, or other such claims based on delay in transportation, punitive damages or attorney fees.

Shortage:

WTS liability for shortage of lading will be based on evidence of unauthorized entry into the railcar while in possession of WTS. Only the owner of the freight can file a claim (party listed on the bill of lading).

Shipments from/to Mexico: Shipments with either a rail origin or destination in Mexico.

1. WTS is not responsible for any loss of or damage to the cargo occurring in Mexico.
2. WTS is not responsible for unlocated loss of or damage to the lading unless the claimant can show by preponderance of the evidence that the loss of or damage to the lading occurred in the United States.
3. All claims for loss of or damage to lading occurring in Mexico must be presented to the Mexican rail carrier. Filing of a claim with the Mexican rail carrier does not constitute filing of a claim with WTS.
4. WTS is not responsible for any expenses or losses incurred by a Customer from delays and problems in clearing Customs

Photography:

Quality photos that capture the overall situation assist WTS in providing the best opportunity to determine how and why the cargo damage occurred. The photos should tell the story about the shipment. Wider angle images give more information than a close up. Utilize close ups to document specific damage.

*Note- the above paragraph notates best practices for quality information. They do not affect WTS's decision making on a particular claim. WTS reviews all claims on a case by case basis

General Loading Rules:

There are many load designs that have been formally tested by the Association of American Railroads and approved by member carriers that allow for the unrestricted interchange of commodities between rail carriers when loaded according to the requirements of a published approved load plan. Approved load plans are published by the Association of American Railroads in commodity pamphlets or General

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Information Series publications. The approved load plans may take advantage of a synergy that sometimes exists between a specific commodity and the general loading rules that allow for the most cost efficient or the most effective loading scheme while complying with the general loading rules.

Any commodity for which there is not a specific approved load plan must conform to the general loading guidelines. Shipments that are loaded according to the general loading rules must have prior approval of the damage prevention representatives of the carriers over which the shipment will travel.

LIABILITY AND IDEMNITY

ITEM 325

Railroad parties shall not be liable, and customer shall release, indemnify and hold harmless railroad parties, for all loss, damage, or injury (collectively, including without limitation attorney's fees and other costs of litigation, liability to third parties, fines, penalties, environmental response, investigation, and remediation costs, and natural resource damages) arising from (a) any defects in or failure of private equipment; (b) improper loading or unloading practices, including without limitation excess weight or failure to properly close, secure and tender loaded or empty equipment; (c) failure by the customer (or its agents or contractors or receivers) to comply with the representations, warranties and covenants made in the price authority and/or contract or with the rules applicable to customer with respect to the movement of commodities pursuant to the price authority and/or contract; (d) the presence of any trace chemicals or contaminants in the commodity which are not described in the commodity's proper U.S. DOT shipping description, as provided in applicable U.S. DOT regulations; or (e) any loss, damage or injury to the extent caused by customer (or its agents or contractors or receivers). The liability assumed by customer shall not be affected by the fact, if it is a fact, that the loss, damage or injury was occasioned by or contributed to by the negligence of the railroad parties, except to the extent that such claims are proximately caused by the intentional misconduct or gross negligence of the railroad parties. "Railroad parties" as used herein shall refer to Watco Transportation Services, L.L.C. and affiliated companies (including, but not limited to, the subscribing railroads), partners, successors, assigns, legal representatives, officers, directors, shareholders, employees, agents and handling carriers.

MULTI CAR SHIPMENTS

ITEM 330

In order to qualify for multi car shipment rates, cars must be shipped at one time and must be tendered on one bill of lading on one day from one consignor at one location at Origin to one consignee at one location at Destination.

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

ITEM 340

Where reference is made in this publication 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, etc.

SEVERABILITY

ITEM 380

If any provision of this publication is held invalid by a court or governmental entity of competent jurisdiction, such provision shall be severed from this publication and to the extent possible, this publication shall continue with regard to the remaining provisions.

RETURNED, REFUSED OR REJECTED SHIPMENTS

ITEM 390

This item does not apply on Coal or Perishable Freight requiring protective service.

When shipment covered by this publication has reached destination but is refused or rejected, not unloaded, and is returned to the original shipping point for reasons other than rail carrier's error, the return movement will be subject to the rate and minimum weight in the reverse direction in effect on date shipment is tendered for return, or to the rate normally applicable for such return movement if lower. Routing for the return movement will be applicable only via the reverse of the route over which the original shipment moved, except in the case of emergency routing orders.

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TRANSACTION FEE – SHIPPER INSTRUCTIONS

ITEM 450

Bill of Ladings (BOL) when carrier is the origin line haul carrier must be submitted by the following methods:

- System to System Electronic Data Interchange (EDI);
- On-line web tools for all Watco Roads, contact Pattern Request at patternrequest@watco.com and use the form provided.
- On-line web tools for Class I carriers where applicable. Contact Pattern Request at patternrequest@watco.com for clarification if needed.

Equipment release, equipment ordering, equipment placement, and all other switching requests may be transmitted to any subscribing carrier by the following methods:

- System to System Electronic Data Interchange (EDI);
- On-line web tools for all Watco Roads. Contact Fleet Management at fleetmanagement@watco.com
- On-line web tools for Class I carriers when applicable. Contact Fleet Management at fleetmanagement@watco.com for clarification if needed.
- Email to Customer Service Center at CS1@watco.com *

If a Bill of Lading (BOL), or an event such as equipment release, equipment ordering, equipment placement, and all other switching requests are provided to any subscribing carrier through a means other than System to System Electronic Data Interchange (EDI) or On-line Web Tools, as shown above, a fee of **\$75.00** per Bill Of Lading or event will be assessed (* Denotes potential charges). Charges under this Item will be assessed to the party requesting the event or manual BOL. The submitting party is solely responsible for verifying, within Doc (or applicable system of record), any manually submitted Bill of Lading (BOL) or event-related changes have been completed accurately and in accordance with the original request. Failure to verify such updates shall not relieve the submitting party of any applicable charges, errors, or resulting liabilities.

Cars received without proper forwarding instructions are subject to additional charges specified in Item 460, herein.

EXCLUSIONS TO TRANSACTION FEE

Shipper(s) who advises any carrier of a planned system outage forty eight (48) hours in advance of the outage will be exempt from charges for a period of up to twelve (12) hours starting from the beginning of the outage as notified by shipper. Shipper(s) must advise of a planned outage by sending an email to patternrequest@watco.com and CSRequest@watco.com

If the Web Tools are unavailable for thirty (30) consecutive minutes or more, charges will not be assessed to shipper(s) who normally uses web applications but is forced to use a manual method during the time of the outage.

RAIL BILLING REQUIRED AT ORIGIN

ITEM 460

In order for loaded cars or TOFC or COFC units to be accepted at origin, proper rail billing to destination is required. In the event applicable subscribing carrier inadvertently accepts a loaded car (excluding TOFC or COFC units), from shipper and the car is removed from industry track or team track without proper billing instructions, and is held by said carrier awaiting billing instructions, a hold charge of **\$300.00** per car will be assessed against the shipper/consignor and the car will remain on continuous demurrage and will be subject to rules and charges published in the applicable carrier's Tariff and such supplements thereto and successive issues thereof until proper forwarding instruction is received.

ORIGINATION BILLING

ITEM 470

Should a customer or a representative on behalf of customer generate origination billing data that fails to match the shipment conditions or that requires cancellation or modification prior to pulling railcars, resulting in rework by any of the subscribing carriers, customer or the representative acting on behalf of customer will be charged **\$100.00** per car.

DIMENSIONAL PRE-CLEARANCE PROPOSAL

ITEM 480

Except as otherwise provided, there will be a **\$1,000.00** charge for each dimensional pre-clearance proposal submitted to carrier. While the proposal is in "submitted" status, changes to the proposed dimensions (length, width, height) may be made at any time without penalty. Once the proposal is in "working" status, the customer may make only two additional changes to the proposed dimensions (length, width, height) without incurring an additional charge. Any additional charges (beyond the three total changes described above) to the proposed dimensions will be subject to an additional pre-clearance proposal charge of **\$1,000.00**. Once the proposal is in "completed" status, no more changes can be made.

Payment of any pre-clearance proposal charges must be made before "working" status.

Each pre-clearance proposal that results in an actual load moving on the carrier within one (1) year from the date the clearance review is completed, the customer will be entitled to a refund of **\$1,000.00**. The customer must submit proposal and refund requests through PricingAdministration@watco.com.

In the event the clearance proposal results in carrier not being able to clear the load for transportation, a refund will not be issued but



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clearance maximum dimensions will be provided. If the clearance maximum dimensions can be accommodated by the customer and a shipment meeting the clearance maximum dimensions subsequently moves on the carrier, the customer will be eligible for refund pursuant to the terms above.

Submissions of a pre-clearance proposal to carrier for clearance of a shipment does not create any obligation to provide transportation of the proposed shipment or any other shipments that may be tendered by the customer.

Please consult your Sales Representative for a current market freight rate quote.

PERISHABLES *ITEM 490*

Perishable freight under protective service will be accepted from connecting carriers for delivery to customers with the understanding that protective service is not provided by the railroads subscribing to this tariff. Subscribing railroads, therefore, will accept no liability of any loss or damage resulting from failure of such protective service.