

The Kansas City Southern Railway Company



**DEMURRAGE AND STORAGE
TARIFF KCS 6000-E (Revision 7)
(change item 160)
Cancels and Supersedes KCS 6000-E (Revision 6)**

**CONTAINING RULES AND CHARGES GOVERNING DEMURRAGE AND
STORAGE AT STATIONS ON THE KCS**

APPLICABLE ON EXPORT, IMPORT, INTERSTATE AND INTRASTATE TRAFFIC

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ISSUED BY:

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**RULES AND OTHER GOVERNING PROVISIONS
GENERAL RULES AND REGULATIONS**

KCS WEB SITE

ITEM 1

This publication is now available on the Internet for viewing or sending directly to your printer. The KCS Home Page address is <http://www.kcsouthern.com>. From the Home Page choose the 'Customers' link, then click the 'Accessorial Charges' link and click the 'KCS 6000 Demurrage Tariff' link. **An annual \$100.00 subscription fee will be assessed for those who wish to receive a hard copy.**

If you are not equipped to obtain a copy of this publication from the KCS 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.

Manager Sales & Marketing Contracts
The Kansas City Southern Railway Company
P O Box 219335
Kansas City, MO 64121-9335

CHANGE IN PROVISION(S)

ITEM 5

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

CHARGES HEREIN SUBJECT TO INCREASE

ITEM 8

Charges published herein are subject to increase by republication.

**RULES AND OTHER GOVERNING PROVISIONS
GENERAL RULES AND REGULATIONS**

GLOSSARY OF TERMS

ITEM 10

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

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.

AVERAGE AGREEMENT: A written agreement between KCS and the party responsible for demurrage or storage charges providing for an offset of car detention debits with credits on a monthly basis.

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

BUNCHING: The accumulation of cars for loading or unloading shipped on different days.

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.

CHARGEABLE DEBIT: Chargeable debits are the difference between the debits applied to a car minus any applicable credits.

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: 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, consignor, loader or unloader, such car will: (a) be held on KCS 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 KCS on private or other than public delivery tracks, including lead tracks serving the consignee, consignor, loader or unloader, will be considered constructively placed without notice.

**RULES AND OTHER GOVERNING PROVISIONS
GENERAL RULES AND REGULATIONS**

GLOSSARY OF TERMS (continued)

ITEM 10

CONSTRUCTIVE PLACEMENT TIME: The time from constructive placement notice is given until a car is ordered for placement.

CREDIT: Offset of a chargeable day. Credits can be earned only on those cars released from demurrage.

DEBIT: See description of term for Demurrage Day.

DEMURRAGE DAY: A twenty-four (24) hour period, or fraction thereof, commencing at the first 07:01 AM after placement or Tender, as defined in this Item, may also be referred to as "Debit".

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 consignor's, consignee's, loader's, or unloader's account.

DIVERSION: An order from the consignor 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.

EMPTY RELEASE INFORMATION: Advice from consignee and/or unloader, given to authorized personnel of KCS, electronically or in writing, that car is unloaded and available to KCS. Information given must include identity of consignee, and/or unloader, party furnishing the data, car initial, number, date and time.

FLIP: Any extra lift performed at customer's request.

FORWARDING INSTRUCTIONS: A bill of lading, or other suitable instructions, given to authorized personnel of KCS, electronically or in writing, that contains all of the necessary information which allows for the immediate movement under either line haul or switching rates of KCS.

When "forwarding instructions" are furnished covering line haul movement, full instructions must be provided including the shipper, consignor, consignee, destination, route, commodity description, whether prepaid or collect.

Advice received by KCS to move a car from a shipper's loading or storage track to KCS' 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 KCS which has no beneficial interest in the lading, does not constitute "forwarding instructions" or a release from demurrage.

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.

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

**RULES AND OTHER GOVERNING PROVISIONS
GENERAL RULES AND REGULATIONS**

GLOSSARY OF TERMS (continued)

ITEM 10

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 notification of 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.

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.

LOADER: Party physically loading the car.

LOADING: The complete or partial loading of a car in conformity with KCS 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, in writing to all parties entitled to receive notification.

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

ORDER IN TIME: 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. This order in request must be made in accordance with the instructions provided by KCS on the Constructive Placement Notice. **THE DATE AND TIME THAT KCS RECEIVES THE ORDER FOR PLACEMENT WILL BE CONSIDERED THE "ORDER IN TIME" AND THIS TIME WILL BE MADE A PART OF THE DEMURRAGE RECORDS.**

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.

RECONSIGNMENT: Any order from the consignor 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).

**RULES AND OTHER GOVERNING PROVISIONS
GENERAL RULES AND REGULATIONS**

GLOSSARY OF TERMS (continued)

ITEM 10

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 KCS 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 its own switching, including those tracks of an industrial switch line acting as Agent of industry, will be removed from track and considered received and held for disposition as provided in 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. Loaded or empty or private cars released and pulled from private tracks, which must first be held on railroad track awaiting forwarding instructions, are subject to demurrage/storage provisions and charges as provided in this Tariff.

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

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

SPOT ON ARRIVAL: KCS, 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 KCS has received an order for placement from the Spot on Arrival Customer.

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

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

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

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

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.

**RULES AND OTHER GOVERNING PROVISIONS
GENERAL RULES AND REGULATIONS**

CREDIT TERMS

ITEM 20

Charges that accrue per this Tariff are due and payable according to KCS' Credit Terms, as stated in KCS Rules Publication 9011 or 9012-Series, supplements thereto and successive issues thereof, whichever is applicable.

**SECURITY DEPOSITS FOR PAYMENT OF DEMURRAGE OR OTHER
ACCESSORIAL CHARGES**

ITEM 30

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

If a demurrage bill not in bona fide dispute is not paid when due, immediately thereafter KCS will satisfy the bill by application 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 demurrage charge.

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 so deposit or maintain the security, KCS may refuse to provide any further rail service until the deposit requirement is fulfilled. If service is refused, KCS will issue an embargo against all rail transportation by KCS to and from that rail customer.

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

(1) New rail customers will be required to deposit security equal to an anticipated average monthly demurrage bill.

**RULES AND OTHER GOVERNING PROVISIONS
GENERAL RULES AND REGULATIONS**

NOTIFICATION

ITEM 40

Notification to Consignor, Loader, Unloader, Consignee, Freight Payor 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 KCS at an available hold point or at billed destination due to any condition attributable to the consignor, consignee, loader or unloader which prevents KCS from making actual placement.
 - b. Delivery of car upon tracks of consignee will constitute notice.
 - c. When two or more parties, each performing their own switching, take delivery of cars from the same interchange track, notice will be given when cars are placed on the interchange track.
 2. Cars for Public Delivery Tracks:
 - a. Notice of constructive placement shall be sent or given if a car is held on tracks of KCS at an available hold point or at billed destination due to any condition attributable to the consignor, consignee, loader or unloader which prevents KCS from making actual placement.
 - b. Notice will be given to the party entitled to receive notification when a car is actually placed.
 3. Refused Loaded Car:
 - a. When a loaded car is refused at destination, KCS will give notice of such refusal to the consignor or owner.
 4. Freight Payor or Party Entitled to Receive Notice:
 - a. Notice will be sent or given if a car is held on tracks of KCS awaiting proper disposition in connection with diversion requests.
- 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 consignor or consignee utilizes an electronic or mechanical device, including but not limited to fax machines or email, to accept messages, notification left on such device will be considered as having been received.

D. It will be the responsibility of the Consignor, Loader, Unloader, Consignee, Freight Payor or party entitled to receive notice, to notify the KCS Demurrage Department of fax number or email address changes. Should KCS 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.

NOTIFICATION TO KCS

ITEM 50

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

**RULES AND OTHER GOVERNING PROVISIONS
GENERAL RULES AND REGULATIONS**

CLAIMS

ITEM 60

In order to be allowed relief from a billed amount, a claim must be presented to KCS, 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 must be supported by documentation stating fully the conditions for which relief is claimed, identifying contested cars by car initials, numbers and location. Claims sent to KCS 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 to the following address:

Demurrage Collection Department
The Kansas City Southern Railway Company
P. O. Box 219335
Kansas City, MO 64121-9335

A. Improper Charges:

1. 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.
2. Bunching and run around will not be considered railroad error and no allowance will be made.
3. A missed switch will be considered a railroad error.

B. Weather Interference:

Acts of God: In the event it is impossible for consignor, 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.

C. Strike Interference:

When it is impossible for a customer to load or unload or receive cars from or make cars available to KCS 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.

D. Strike Interference provisions will not apply to:

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

**RULES AND OTHER GOVERNING PROVISIONS
GENERAL RULES AND REGULATIONS**

APPLICATION

ITEM 70

- 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 City Southern, hereafter referred to as KCS. ***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 KCS, and will be applied on the basis of an "Average Agreement" as defined in Item 10, between KCS and ALL CUSTOMERS.
- 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, held for or by freight payors in connection with diversion requests, consignors, consignees, loaders or unloaders, are subject to the rules and charges published herein, **EXCEPT** the following:
1. Cars for loading or unloading of KCS company material while held on KCS tracks or private sidings connecting therewith.
 2. Cars of refused or unclaimed freight to be sold by KCS 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 KCS.
 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. Cars assigned to shippers returned empty to point of assignment, to the extent a storage agreement applies.
 7. Empty cars ordered and rejected as unsuitable for loading within 48 hours following order date or actual placement date.
 8. Multi - Level rail cars used for transportation of motor vehicles will not be subject to demurrage charges. This exemption includes both loaded and empty Multi - Level rail cars.

RULES AND OTHER GOVERNING PROVISIONS
GENERAL RULES AND REGULATIONS

**SPOT ON ARRIVAL FOR TOXIC INHALATION HAZARDS OR
POISONOUS INHALATION HAZARDS (TIH/PIH)**

ITEM 75

All rail cars containing Toxic Inhalation Hazard (TIH) or Poisonous Inhalation Hazard (PIH) ("TIH/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 consignor's controlled tracks or at consignee's or consignor's facility upon arrival and the rail car must be held at KCS' facilities, a charge of \$2,500.00 per rail car per twenty-four (24) hour period, or fraction thereof, will be assessed until the rail car is ordered in.

In addition to the above charges, consignees or consignors will be liable for all Federal, State, Local penalties or fines which may be assessed for the holding of private cars on railroad controlled tracks when party to the bill of lading has impeded delivery of the car. Consignees or consignors will be responsible for any cost incurred by KCS for providing protection or surveillance of any commodity provided in this Item while held on KCS' property.

**SECTION I
DEMURRAGE RULES AND CHARGES**

CARS HELD FOR COMPLETE OR PARTIAL LOADING

ITEM 80

LOADING: As defined in Item 10 of this Tariff.

A. Loaded Private cars held on private tracks at origin, will be subject to this item only when the car is a railroad-controlled car.

B. Loaded or empty private cars, consigned or ordered for delivery to private tracks, which first must be held on railroad tracks under constructive placement are subject to demurrage/storage provisions and charges as applicable in this Tariff.

TENDER: As defined in Item 10 of this Tariff.

RELEASE: As defined in Item 10 of this Tariff.

COMPUTATION:

A. Demurrage computation:

1. Constructive Placement Time will apply from the first 07:01 AM after constructive placement until order in time.

2. Industry Time will apply from the first 07:01 AM after actual placement until release.

3. Demurrage will apply from the first 07:01 AM after constructive placement of loaded and empty private cars while held on railroad tracks until request for placement on private track is received.

4. Demurrage will apply from the first 07:01 AM after release and removal of loaded private 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 07:01 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 07:01 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.

CREDITS:

A. One (1) credit will be allowed for each car released from loading, EXCEPT two (2) credits will be allowed on covered hopper cars containing Grain, STCC 01-XXX-XX

B. One additional credit will be allowed on a car when it has a demurrage day occurring on:

Thanksgiving Day (Fourth (4th) Thursday of November)

Christmas Day (December 25th)

New Years Day (January 1st)

**SECTION I
DEMURRAGE RULES AND CHARGES**

CARS HELD FOR COMPLETE OR PARTIAL UNLOADING

ITEM 90

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. Loaded or empty private cars, consigned or ordered for delivery to private tracks, which first must be held on railroad tracks under constructive placement are subject to demurrage/storage provisions and charges as applicable in this Tariff.

C. If item 75 is applicable this item will not apply.

TENDER: As defined in Item 10 of this Tariff.

RELEASE: As defined in Item 10 of this Tariff.

COMPUTATION:

Demurrage computation.

A. Constructive Placement Time will apply from the first 07:01 AM after constructive placement until order in time.

B. Industry Time will apply from the first 07:01 AM after actual placement until released.

C. Demurrage will apply from the first 07:01 AM after constructive placement of loaded and empty private cars while held on railroad tracks until request for placement on private track is received.

D. Demurrage will apply from the first 07:01 AM after release and removal of loaded and empty private cars from private tracks until forwarding instructions are received.

CREDITS:

A. Two (2) credits will be allowed for each car released from unloading.

B. One additional credit will be allowed on a car when it has a demurrage day occurring on:

Thanksgiving Day (Fourth (4th) Thursday of November)

Christmas Day (December 25th)

New Years Day (January 1st)

**SECTION I
DEMURRAGE RULES AND CHARGES****CARS HELD FOR PURPOSES OTHER THAN LOADING OR UNLOADING *ITEM 100*****APPLICABLE TO CARS HELD:**

- A. While awaiting proper disposition from the consignor, loader, consignee, or unloader.
- B. In connection with diversion request, the freight payor or its authorized representative.
- C. For any other purpose, on orders of the consignor, loader, consignee or unloader, which is not attributable to KCS.
- D. If item 75 is applicable this item will not apply.

DISPOSITION: As defined in Item 10 of this Tariff.

TENDER: As defined in Item 10 of this Tariff.

RELEASE: As defined in Item 10 of this Tariff.

COMPUTATION:**Demurrage computation:**

- A. Constructive Placement Time will apply from the first 07:01 AM after constructive placement until disposition advice is received on:
 - 1. Cars diverted, reconsigned, reshipped or stopped in transit.
 - 2. Empty cars ordered, constructively placed for loading, and not used in transportation service (other than a rejected car as referred to in Item 70).
 - 3. Cars waiting for payment of accrued charges.
 - 4. Cars held for any other purpose, except as covered by Items 80 and 90, which is not attributable to KCS.
 - 5. Cars with excessive lading held for reduction as described in KCS 9011 or 9012-Series, supplements thereto and successive issues thereto, whichever is applicable.
- B. Industry Time will apply from the first 07:01 AM after received by KCS until date and time of disposition on:
 - 1. Cars received from connecting carriers.
 - 2. Private cars returned to railroad tracks.
- C. Industry Time will apply from the first 07:01 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 and 90, which is not attributable to KCS.
- D. Demurrage will apply on the following from the first 07:01 AM:
 - 1. After actual or constructive placement until date and time of refusal on refused loaded cars (consignee).
 - 2. After actual or constructive placement until date and time of disposition on refused loaded cars (consignor).
- E. Demurrage will apply on the following from the first 07:01 AM:
 - 1. After actual or constructive placement until release or placement on private tracks on loaded private cars while held on railroad tracks.

CREDITS:

- A. One (1) credit will be allowed for each car released or on which disposition is given.
- B. Credits will not be allowed for:
 - 1. Empty cars ordered and not used (including rejected cars).
 - 2. Loaded private cars returned to railroad tracks to be held.
 - 3. Cars received from connecting carriers to be held for disposition.

**SECTION I
DEMURRAGE RULES AND CHARGES**

DEMURRAGE PLAN AND PRICES

ITEM 110

- A. Settlement of charges will be made on a calendar month basis on all cars released during the calendar month.
- B. Credits earned and demurrage days accrued by customers having two or more facilities at the same or separate stations cannot be combined.
- C. Credits earned and/or chargeable demurrage days accrued will be calculated separately for the following transactions:
 - 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. Loaded and empty private cars held on railroad tracks (see Items 80, 90 and 100).
 - 5. Refused loaded cars (see Item 100).
- D. Excess credits on one type transaction cannot be used to offset demurrage days on another type transaction.
- E. Excess credits earned under Special Demurrage Contracts or Agreements cannot be used to offset demurrage calculated per the Tariff.
- F. Excess credits earned in one calendar month may not be used to offset demurrage days in another calendar month.
- G. Demurrage charges will be assessed against the consignor or consignee and they will be responsible for payment of such charges.
- H. **Calculation of charges:** The tariff or special agreement applied will be that in effect when the car is released.
 - 1. Determine the total number of Chargeable demurrage days [debits] for all cars.
 - 2. Determine the total number of Credits for all cars.
 - 3. If total credits exceed total demurrage days [debits], demurrage charges will not be assessed.
 - 4. If total demurrage days [debits] exceed the total credits, each chargeable day will be assessed **\$90.00 per Demurrage day, except Empty Private Cars held on railroad tracks will be assessed \$50.00 per Demurrage day.**
- I. Adjustments must be handled through the railroad error claim provisions set forth in Item 60.
- J. KCS will allow relief on demurrage days for a loaded railroad car that has been constructively placed from the order-in date until the car is actually placed.

**SECTION II
STORAGE RULES AND CHARGES**

**STORAGE OF LOADED OR EMPTY PRIVATE CARS ON RAILROAD
TRACKS (EXCESS CARS)**

ITEM 120

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 customer's available storage agreement capacity on any particular day, then storage charges will be assessed at a rate of **\$90.00 per Storage day**, except Empty Private Cars held on railroad tracks will be assessed **\$50.00 per Storage day**.

If item 75 is applicable this item will not apply.

Storage will apply from the first 07:01 AM after notification of availability and constructive placement of empty private cars on railroad tracks until the order in date and time is received for 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: KCS accepts **NO LIABILITY** whatsoever with respect to the car or its contents, if any, while in stored status.

**SECTION II
STORAGE RULES AND CHARGES**

STORAGE OF ASSIGNED CARS

ITEM 130

NON-APPLICATION:

Storage of assigned car provisions do not apply to empty cars of private ownership, which are not railroad controlled.

APPLICATION:

- A. This item applies to specific empty cars, as requested by and assigned to a specific shipper [assignee], at KCS origin stations, when KCS is required to hold such cars on its premises or private sidings connected therewith.
- B. Shipper must request assignment of cars in writing, either by US Mail, FAX or Electronic mail, in advance of the sought assignment in the following form:

(COMPANY) hereby requests the assignment of (NUMBER), (CAR TYPE) cars at (LOCATION) and if said assignment as may be modified by KCS is granted, it is understood it will be subject to the rules and charges of Tariff KCS 6000- Series.

(Signed) (Name)_____

(Title) _____

Accepted by KCS on _____, and _____ cars will be placed in this agreement.

(Date) (Number)

- C. Assignment of cars will be at the sole discretion of KCS.
- D. When KCS agrees to an assignment of cars, assignee will be notified by the accepted return of Assignee's written request.

NOTICE OF ARRIVAL:

Notice will be given to assignee within twenty-four (24) hours after arrival of car at hold point.

STORAGE DAYS:

Storage days will commence from the first 07:01 AM following notice of arrival and continue until the car assumes demurrage status or is released from the assignment.

**SECTION II
STORAGE RULES AND CHARGES**

STORAGE OF ASSIGNED CARS (continued)

ITEM 130

STORAGE PLAN:

- A. Storage charges will be assessed against assignee.
- B. Storage plans will be maintained individually by pool assignment number.
- C. Settlement of charges will be made on a monthly basis on each car released from storage during each calendar month.

CALCULATION OF CHARGES:

- A. Total storage days for each car released from storage during a calendar month will be determined.
- B. If it is known that storage days have accrued due to railroad error (bunching and run-around will not apply as railroad error), the storage days will be adjusted to the amount but for such error. A missed switch will be considered railroad error. Otherwise, a claim must be presented to KCS, in writing, by the last day of the calendar month following the month in which the bill was issued, stating fully the conditions for which relief is claimed.
- C. One [1] credit will be allowed on each car released from storage.
- D. Total credits for all cars will be added.
- E. If total credits exceed storage days, storage charges will not be assessed.
- F. If total storage exceed total credits, multiply the difference by **\$90.00**.
- G. Excess credits earned in one calendar month may not be used to offset storage days in another calendar month.

RELEASE OF CARS FROM ASSIGNMENT:

- A. Assignee may release cars from assignment by giving KCS notice, in writing or confirmed in writing, at least one (1) day prior to the date of desired release.
- B. KCS will select the car(s) to be removed from the assignment.
- C. Assignee will not be permitted to release cars until all shipper-owned appurtenances have been removed.

**SECTION II
STORAGE RULES AND CHARGES**

STORAGE OF RAILWAY EQUIPMENT MOVING ON OWN WHEELS

ITEM 140

APPLICATION:

This item applies to railway equipment held on KCS tracks that will move or has moved on its own wheels as freight under transportation charges.

STORAGE DAYS WILL COMMENCE:

- A. At Origin or Enroute: From the first 07:01 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 07:01 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 consignor 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.
- C. Credits will not be allowed at origin or enroute.
- D. Excess credits earned in one calendar month may not be used to offset storage days in another calendar month.

CALCULATION OF CHARGES:

- A. Total storage days for all units of equipment released from storage will be added.
- B. If it is known that storage days have been accrued due to railroad error, the total storage days will be adjusted to the amount but for such error. A missed switch will be considered railroad error. Otherwise, a claim must be presented to KCS, in writing, by the last day of the calendar month following the month in which the bill was issued, stating fully the conditions for which relief is claimed.
- C. One [1] credit will be allowed for each unit of equipment released from storage.
- D. Total credits for all units of equipment will be added.
- E. If total credits exceed total storage days, storage charges will not be assessed.
- F. If total storage days exceed the total credits, multiply the difference by **\$90.00** to determine charge(s) due.

**SECTION II
STORAGE RULES AND CHARGES**

STORAGE OF EXPLOSIVES, HAZARDOUS MATERIALS SUBSTANCE OR WASTES *ITEM 150*

SUBJECT TO TARIFF BOE 6000 (HAZARDOUS MATERIALS REGULATIONS OF THE DEPARTMENT OF TRANSPORTATION)

APPLICATION:

- A. This item applies on any loaded car 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:

Assessment of Storage Charges for cars held on railroad tracks will be assessed:

- A. for loaded cars that are constructively placed, from the first 07:01 A.M. after constructive placement until order in time;
- B. for loaded cars held for forwarding instructions, from the first 07:01 A.M. after release and removal of loaded private cars from private track until forwarding instructions are received.

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: \$100.00 per car, per Storage Day.

**SECTION II
STORAGE RULES AND CHARGES**

STORAGE OF SHIPMENTS MOVING IN OR ON "TOFC/COFC"

ITEM 160

(Effective October 1, 2009)

NOTIFICATION AND FREE DAYS FOR PRIVATE AND RAIL CONTROLLED EQUIPMENT:

NOTIFICATION	FREE DAY
MONDAY	MONDAY, TUESDAY, WEDNESDAY
TUESDAY	TUESDAY, WEDNESDAY, THURSDAY
WEDNESDAY	WEDNESDAY, THURSDAY, FRIDAY
THURSDAY	THURSDAY, FRIDAY, SATURDAY
FRIDAY	FRIDAY, SATURDAY, SUNDAY, MONDAY
SATURDAY	SATURDAY, SUNDAY, MONDAY, TUESDAY
SUNDAY	SUNDAY, MONDAY, TUESDAY, WEDNESDAY

FLIP CHARGE: \$50.00 will be assessed for each flip performed.

FREE DAY: Commences immediately upon notification that a unit is unloaded from a rail car, with the first Free Day ending at 11:59PM on the day of notification.

NOTIFICATION OF ARRIVAL: Notice will be given immediately upon the removal of the unit from the rail car.

STORAGE DAYS: Storage days will commence from the first 12:01 AM following the last Free Day and continue until the unit is picked up by the customer.

STORAGE CHARGE: \$100.00 per car, per Storage day or fraction thereof.

The above charges apply to the following Intermodal facilities at: Jackson, MS; Kansas City, MO; Dallas, TX, Laredo, TX and Rosenberg, TX.

**SECTION II
STORAGE RULES AND CHARGES**

**FREE TIME ALLOWANCE AND "DOCUMENT DELAY" CHARGES ON
RAILCARS FOR EXPORT TO MEXICO**

ITEM 170

Seventy-two (72) hours free time will be allowed on ALL RAIL CARS being exported into Mexico moving on revenue and revenue empty waybills. Free time will apply from the first 07:01 AM after "Despacho Previo" notification, and when the car (s) enter (s) the following geographic point, 'IA', 'NE', 'NM', 'KS', 'OK', 'MO', 'IL', 'AR', 'KY', 'TN', 'AL', 'GA', 'TX', 'MS' OR 'LA'. Sundays and holidays will be excluded in the computation of free time. After the expiration of free time "Document Delay" charges of \$75.00 per car per day, or fraction thereof, will be assessed for the first ten (10) chargeable days. Charges of \$150.00 per car per day will be assessed for those days beyond the first ten (10) chargeable days until car has cleared customs and is released for entry into Mexico. (See Notes 1 through 9 this item and Exceptions 1, 2 and 3, this item)

Cars cleared under both the pedimento document and the NIU (Mexican Customs unique identification number) will be released automatically provided no document delays exist and clearance is accomplished prior to the expiration of free time.

Shipper or Shipper's representative shall be responsible for ensuring through a broker or an attorney that the pedimento is scanned by Mexican Customs in order to auto release the car(s). If for any reason an auto release of the car(s) is cancelled, the Shipper or Shipper's representative is responsible for providing notice to KCS at (956) 721-5746 instructing cancellation of release followed immediately by written instruction.

If an auto release is cancelled, charges shall be assessed to the Shipper as follows:

Document Delay charges will restart;

Switch charge as provided in Item 165 of KCS 8100-Series such supplements thereto and successive issues thereto;

Demurrage charges as provided herein;

Diversion and Reconsignment as provided in the applicable tariff(s).

All applicable charges must be paid before the car(s) can be re-released.

Note 1 - Applies only for account of KCS at Laredo, TX.

Note 2 - "Despacho Previo" notification will be sent or given by KCS to the consignee, or party entitled to receive notification, when the car enters the KCS or BNSF system through interchange or shipper disposition. Notification will not be delayed for shipments requiring weighing or lacking freight rate information. Free time for shipment lacking broker information or with billing errors in the broker information will begin at 07:01 AM following entrance of the shipment to the KCS system by interchange or shipper disposition.

Note 3 - Holidays are: New Year's Day – January 1; Washington's Birthday – Third Monday of February; Birthday of Benito Juarez – March 21; Memorial Day – Last Monday of May; Independence Day – July 4; Labor Day – First Monday of September; Thanksgiving Day – Fourth Thursday of November; Christmas Day – December 25.

Note 4 - Also subject to rules and regulations contained in Tariff KCS 9011 or 9012-series, supplements thereto and successive issues thereof whichever is applicable.

SECTION II
STORAGE RULES AND CHARGES

FREE TIME ALLOWANCE AND "DOCUMENT DELAY" CHARGES ON *ITEM 170*
RAILCARS FOR EXPORT TO MEXICO (continued)

Note 5 - If instruction to change shipment from export to a domestic shipment is received after the expiration of free time indicating that car should be stopped and unloaded at the crossing Laredo, TX rather than continuing across the border with car and lading intact, any "Document Delay" charges which accrued prior to instruction will be assessed AND diversion charge will be assessed as published in KCS 9213-series, supplements thereto and successive issues thereof. Upon arrival at the border crossing, car will be subject to demurrage provisions in Tariff KCS 6000-series, supplements thereto and successive issues thereof.

Note 6 - When cars arrive at the border crossing without Despacho Previo notification being given, there will be charges under this item. However, cars will be subject to applicable demurrage rules and charges per Tariff KCS 6000-series, supplements thereto and successive issues thereof.

Note 7 - Forty-eight hours free time will be allowed each car of freight inbound held in transit for customs entry, government inspection, or certification by authorized inspectors.

Note 8 - Traffic moving from Corpus Christi that is handled in transit at the port and switched from elevators or transit houses to wharves or piers at the same port for export and outbound coastwise movement will be considered as local traffic and granted 72 hours for clearance. After 72 hours, demurrage rules listed in this item will apply.

Note 9: Freight held in Laredo or other KCS locations will be allowed 48 hours free time awaiting forwarding instructions, customs documents or any other purposes, provided the original lading is exported in the same car or is transferred direct from the car in which received to another car. (Note - this rule will apply only on export shipments on which road haul service is performed to Laredo TX).

Exception 1 - Finished auto parts moving to or from the OEM (Original Equipment Manufacturer) will not be subject to charges in this item.

Exception 2 - Empty private cars returning to Mexico following a loaded movement out of Mexico will not be subject to charges in this item.

Exception 3 – Any traffic received at Beaumont, TX, Corpus Christi, TX or Robstown, TX will continue to be assessed charges after free time has expired prior to the actual interchange occurring on any system carrier (KCS).

- The End -