

TITLE PAGE

THE KANSAS CITY SOUTHERN RAILWAY COMPANY (KCS)
GATEWAY EASTERN RAILWAY COMPANY (GWWE)

RULES PUBLICATION KCS 9012 (Revision 8)
(change in Items 130, 380 and 500)
Cancels and Supersedes KCS 9012 (Revision 7)

RULES AND RELATED PROVISIONS APPLICABLE TO RAIL TRANSPORTATION OF COMMODITIES MOVING IN
INTERSTATE AND INTRASTATE COMMERCE VIA THE KANSAS CITY SOUTHERN RAILWAY COMPANY (KCS) AND
GATEWAY EASTERN RAILWAY COMPANY (GWWE)

ISSUED: July 24, 2009

EFFECTIVE: July 24, 2009
(Except where otherwise noted)

Issued by: Brandon Steenson,
Nancy M. Hanson,
Brett Jensen - Intermodal
427 West 12th Street
P. O. Box 219335
Kansas City, MO 64121-9335

KANSAS CITY SOUTHERN LINES RULES-PUBLICATION KCS 9012

TABLE OF CONTENTS

<u>SUBJECT</u>	<u>ITEM</u>
KCS WEB SITE	5
ABSORPTION OF SWITCHING CHARGES	10
AGGREGATE RULE	20
ALTERNATION OF CARLOAD RATES AND VARYING MINIMUM WEIGHTS	30
APPLICATION GENERAL	40
APPLICATION OF REFERENCED PUBLICATIONS	50
ASSIGNMENT	60
BILL OF LADING	70
CARRIER LIABILITY - LOSS AND DAMAGE TO LADING	80
CHANGE IN PROVISION(S)	90
CHANGES IN RAIL OPERATIONS	100
CHARGES HEREIN, SUBJECT TO INCREASE	110
COMBINATIONS, RATES USED IN	120
CREDIT EXTENSION	130
COMMODITIES FROM AND TO A FOREIGN COUNTRY	140
COMMODITIES NOT ACCEPTED UNDER THIS PUBLICATION	150
CONFIDENTIALITY	160
CONSECUTIVE NUMBERS	170
CONSIGNOR, CONSIGNEE AND DESTINATION	180
DOCUMENT HANDLING CHARGE	640
DUNNAGE	190
EQUIPMENT AND MILEAGE PAYOUT ON PRIVATELY OWNED CARS	200
EQUIPMENT TRACING FEE	650
EQUIPMENT, USE OF KCS FURNISHED	210
FOOD SHIPMENTS	215
FORCE MAJEURE	220
FREIGHT REQUIRING HEAT OR REFRIGERATION	230
FUEL SURCHARGE	240
GOVERNING LAW	250
HAZARDOUS COMMODITY	260
INTERMEDIATE APPLICATION OF RATES	270
LOADING AND UNLOADING	280

INDEX PAGE 2

KANSAS CITY SOUTHERN LINES RULES-PUBLICATION KCS 9012
TABLE OF CONTENTS

<u>SUBJECT</u>	<u>ITEM</u>
MAXIMUM WEIGHT ON RAILS	290
MINIMUM CARLOAD WEIGHTS	300
MECHANICAL PROTECTIVE SERVICE	310
MIXED CARLOAD SHIPMENTS	320
MULTI CAR SHIPMENTS	330
OBLIGATION AFTER TERMINATION	340
ORINATION BILLING	620
OVERCHARGE, OVER COLLECTION OR DUPLICATE PAYMENT CLAIM PROVISIONS	350
OVERLOADED CARS	360
OVERLOADED OR OVERCROWDED CARS DISCOVERED AT MOSSVILLE, LA.	370
PACKAGING	380
RAIL OPERATIONS-ORDER/NOTIFY SHIPMENTS	390
RECORD KEEPING AND AUDITS	400
REFERENCE TO TARIFFS, ITEMS, NOTES, RULES, ETC.	410
RETURNED, REFUSED OR REJECTED SHIPMENTS	420
RULE 11 PAYOR OF FREIGHT	660
STCC NUMBER EXPLANATION	430
SEVERALBILITY	440
SERVICE CODE NUMBERS AND DEFINITIONS	600
SOUTH TEXARKANA, TX RATES FROM TEXARKANA, AR, APPLICATION OF	450
STATION LIST AND CONDITIONS	460
THIRD PARTY BENEFICIFARIES	470
TRANSACTION FEE-SHIPPER INSTRUCTIONS	530
TRANSPORTATION CHARGES TO APPLY	480
TRANSPORTATION SERVICES	490
UNLOADING AND RELEASE OF EQUIPMENT AT DESTINATION	500
U S CUSTOMS INSPECTIONS	630
WAIVER	510
WASTE, HAZARDOUS SPECIAL TERMS AND CONDITIONS	520
WEIGHT LIMITATION AND GENERAL DIMENSION	680

KCS WEB SITE

ITEM 5

This publication is 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, click 'Pricing and Rules Publications' then click the 'Rules Publications KCS 9012' 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 KCS' web site, a hard copy will be mailed to you, if you submit a formal written request to the following address:

Director Sales and Marketing Administration
The Kansas City Southern Railway Company
427 West 12th Street
P. O. Box 219335
Kansas City, MO 64121-9335

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, the request must be made annually in writing

ABSORPTION OF SWITCHING CHARGES

ITEM 10

Absorption of switch charges to and from industries performed by a foreign line at either origin or destination will be absorbed up to and including a maximum of \$300.00 per car in accordance with KCS 8100-Series, such supplements thereto and successive issues thereof.

AGGREGATE RULE

ITEM 20

Except as otherwise specifically provided in writing by KCS, point-to-point rates may not be combined to provide a through rate. Example: Customer has a rate quote from Point A to Point C (the "A to C Rate") Customer also has a rate quote from Point A to Point B (the "A to B Rate") and from Point B to Point C (the "B to C Rate"). The A to C rate applies, and Customer may not combine the A to B Rate with a B to C Rate unless specifically authorized in writing by KCS.

ALTERNATION OF CARLOAD RATES AND VARYING MINIMUM WEIGHTS

ITEM 30

When two or more carload rates are provided in the same rate item for application on the same commodity from and to the same points, the rate which results in the lowest charge based upon the actual or authorized estimated weight of the shipment, but not less than the minimum weight published in connection with the rate used, will apply.

APPLICATION GENERAL

ITEM 40

The provisions of this publication ("Conditions of Carriage") apply: (a) to transportation in which KCS participates as a line-haul carrier when such transportation (i) originates on KCS and (ii) moves under single line rates or single factor joint line through rates offered by KCS itself or in conjunction with a connecting railroad as an exempt rate or as a regulated common carrier rate; or (b) to the KCS portion of through movements under AAR Accounting Rule 11 or other combination or proportional exempt or common carrier rates. In the absence of a separate agreement specifically covering the transportation, the terms and conditions of this publication constitute a unilateral offering of such terms and conditions of a bilateral contract between KCS and its connection lines on the one hand, and the user of the transportation service on the other upon acceptance by such user. Subject to the qualifications set forth in this Item below, tender of shipments to the originating rail carrier shall constitute acceptance of both the terms of service as set out in this publication and the rate governing the shipment.

APPLICATION GENERAL (continued)

ITEM 40

When KCS is not the originating rail carrier, but participates in a movement under single factor or joint through rates, the Conditions of Carriage or comparable offering of the originating rail carrier if any, shall to the extent not inconsistent with this publication, along with the exempt or common carrier rates, apply to such transportation performed by KCS, unless specified otherwise in the terms of a rate quotation or separate contract specially covering the transportation involved.

If a shipment is tendered with different or additional terms and conditions submitted by shipper, such different or additional terms and conditions shall be deemed rejected by KCS unless electronically confirmed or agreed in a written document executed on behalf of KCS by a Marketing Group personnel of KCS, regardless of whether the shipment was accepted or moved by KCS.

Under this Publication the terms "car or car(s)", includes rail cars, TOFC and COFC units.

APPLICATION OF REFERENCED PUBLICATIONS

ITEM 50

Except where inconsistent with a provision of this document or other contractual terms specifically agreed to in writing the rules, regulations, charges and allowances of the following named publications shall, along with the terms of service specified herein, apply to all rail transportation provided by KCS and covered by the provisions of this publication.

AAR 2 hazardous Materials Shipping Descriptions (49-series STCC numbers)

Bureau of Explosives Rules BOE 6000 Series

Car Rental KCS 8100 Series

Car Interchanged or Delivered in Error KCS 8100 Series

Demurrage and Detention Rules and Charges KCS 6000 Series

Diversion and Reconsignment KCS 9213 Series

Empty Car Returned Unused KCS 8100 Series

Heavy Duty Flat Car Charges RIC 6740 Series

Mileage Allowance and Rules RIC 6007 Series

Official Railway Equipment Register RER 6412 Series

Official Intermodal Equipment Register OIER 6037 Series

Open and Prepay Station List OPSL 6000 Series (see Stations and Conditions Item herein)

Port Charge KCS 8100 Series

RRRA 6000 Master (Rail reorganization, rerouting, etc.)

Rules for Export Declarations & Customs Manifests, etc. RIC 6571 Series

Special Train Service KCS 8100 Series

Standard Transportation Commodity Code STCC 6001 Series

Switching KCS 8100 Series

Turning Car to Permit Loading/Unloading KCS 8100 Series

Uniform Freight Committee UFC 6000 Series

Weighing and Reweighing Rules and Charges KCS 8100 Series

References to specific publications herein include successor publications.

ASSIGNMENT

ITEM 60

Unless otherwise agreed in writing, no party to any agreement making reference hereto may assign, in whole or in part, any interest arising under any agreement referencing this publication without the prior written consent of the other parties. This consent will not be unreasonably withheld. No such consent will be required where the assignment is to a successor in interest of all or substantially all of the assets of a party. In the event of an assignment without the required consent, the party whose written consent should have been obtained may at its option to terminate the agreement.

BILL OF LADING

ITEM 70

Services provided by carrier(s) subject to the conditions of this publication shall also be subject to the terms of the Uniform Straight Bill of Lading as contained in the Uniform Freight Classification UFC 6000-Series referred to herein, irrespective of whether a Bill of Lading is actually executed. Where provisions in this publication conflict with Bill of Lading provisions the, provisions of this publication shall apply.

CARRIER LIABILITY - LOSS AND DAMAGE TO LADING

ITEM 80

The following liability provisions will apply unless KCS and shipper agree in writing to different liability provisions:

GENERAL:

- A) On domestic moves that originate in the United States of America, shipper may, at their option, select freight loss and damage liability provisions set forth in 49 U.S.C.A, Section 11706 (Carmack) as explained in this Item. If 49 U.S.C.A. Section (Carmack) is not selected, the liability provision of this item will govern.
- B) The shipper agrees to indemnify and hold harmless the rail carriers from any loss, damage, personal injuries or death resulting from the shipper's failure to comply with the provisions contained herein. Acceptance of a shipment by the rail carriers for transportation shall not be considered as a waiver of shipper's liability.
- C) For shipments moving into and out of a foreign country on a single through bill of lading, see the liability provisions under Item 140.
- D) On shipments intended for export from the United States of America, rail carriers will not be liable for charges such as brokerage fees, fines, penalties, foreign marine or foreign country freight charges, import duties or other such charges on cargo that is lost, damaged or delayed in domestic transportation.
- E) Cargo Loss and Damage any loss or damage(s) that arise out of shipments that are delayed in transit are limited to the specific amount of actual cargo loss or damage occurring to product.

LIABILITY RESTRICTIONS:

- A) The rail carrier/party in possession will be liable as at common law except as provided herein.
- B) Rail carrier's liability will not exceed the actual amount of physical loss or damage sustained to the cargo plus any costs incurred through efforts to mitigate the loss or damage. Rail carriers will not be liable for special damages, consequential damages, indirect loss or punitive damages arising from loss, damage, suspected contamination, or delay to cargo, nor will rail carriers be liable for any losses attributable to fluctuation in the market value of the cargo. Furthermore, rail carriers will not be liable for any losses, direct or indirect, which result from an interruption of rail service, nor do rail carriers guarantee rail service on any scheduled time frame. Rail carriers will not be responsible for interest or attorney fees.
- (C) KCS and its connecting United States and Canadian rail carriers are not liable for:
- (1) loss or damages occurring in Mexico;
 - (2) unlocated damage to any greater extent than the percentage created by dividing the carriers line haul mileage by the total number of miles included in the through transportation line haul rate.
- (D) Unless amended by written agreement prior to shipment, rail carrier's liability for the contents of any rail car will be limited to the actual value of the cargo or \$50,000.00, whichever is the lesser of the two amounts, except on TOFC and COFC units, rail carrier's liability for the contents of any rail equipment will be limited to the destination value of the cargo or \$200,000.00, whichever is the lesser of the two amounts.
- (E) Claims or lawsuits for less than \$500.00 shall not be filed and no claim shall be paid if the amount of the loss or damage is found to be under \$500.00.
- (F) In the event of an act or omission of any party involved in the transportation process; (shipper, rail carriers, receiver) is not the sole cause but contributes to any loss or damage, each party will be liable for only that portion of the loss or damage caused by its negligence.
- (G) Rail carriers are not liable for temperature, corrosion or humidity related losses unless mechanical protective service is requested, paid for and carrier owned or leased equipment is used.
- (H) Rail carriers are not liable for loss or damage caused by defective equipment when such equipment is not owned, or leased by rail carriers.

CARRIER LIABILITY - LOSS AND DAMAGE TO LADING (continued)

ITEM 80

LIABILITY RESTRICTIONS: (continued)

(I) Cargo loss and damage claims presented to the KCS will be resolved for the account of all domestic U.S.A. and Canadian rail carriers, while in this country, involved in transportation of shipments moving under the provisions of this publication, unless a connecting rail carrier's tariff or agreement provides for more limited liability in which case the more limited liability provision will govern.

(J) Rail Carriers will not be liable for more than \$250.00 per car load for the amount of internal revenue taxes paid or determined and customs duties paid on distilled spirits, wines, and beer previously withdrawn from bond, which were lost, rendered unmarketable or condemned by a duly authorized official by reason of fire, flood, casualty or breakage, destruction or other damage (but not including theft) resulting from vandalism or malicious mischief, if such damage or disaster occurred in the United States of America, and if such distilled spirits, wines or beer were held and intended for sale at the time of such disaster or other damage.

LOSS OR DAMAGE VERIFICATION AND DISPOSITION PROVISIONS:

(A) Rail carriers have the right to inspect, weigh or reject shipments at origin, en route or at destination for non-compliance with the provisions contained in the applicable publications.

(B) Rail carriers reserve the right to inspect damaged cargo. As a condition precedent to payment of any claims against carriers for loss or damage, the consignee must within twenty-four (24) hours of shipment's arrival, notify the destination carrier of any claimed damage and allow destination carrier or its agent to inspect.

(C) Failure of the rail carriers to inspect damaged cargo, for whatever reason, will not relieve the burden of the claiming party to establish that cargo was received in a damaged condition nor will it be considered an admission of liability by the rail carrier.

(D) Shipper or consignee must mitigate damage by accepting the damaged cargo unless it is totally worthless and is without salvage value. Shipper or consignee may not abandon damaged or partially damaged shipments to the rail carrier when the damaged shipments retain any value. Product that is abandoned to the rail carriers shall be sold for account of the beneficial owner and salvage proceeds only, less any salvaging expenses incurred, shall be remitted to the beneficial owner.

CLAIMS:

(A) As a condition precedent to payment of a claim, claims must be filed in writing to Freight Claims Department, 427 West 12th Street, Kansas City, MO 64105 or via FAX 816.983-1622 or via E.D.I. within nine (9) months of the delivery date or in the event of non-delivery, within nine (9) months of the expected delivery date. Such written or electronic communication shall comply with the minimum requirements contained in 49 C.F.R. 1005.2(b). Claims may only be submitted by the beneficial owner or a party to the transportation agreement.

(B) In addition to the requirements of 49 C.F.R. 1005.2(b), all written claims must include the following documentation:

- 1) A demand for payment of a specific amount, with a statement of the formula or basis on which the damages are calculated, plus documentation to support the calculation.
- 2) Information identifying the rail shipment including equipment initials and numbers, shipper and receiver's names, notify party's name, shipping date and commodity.
- 3) Origin records or certification as to the condition and quantity of the cargo at the time tendered to the origin rail carrier. If shortage is involved, origin seal records must be furnished.
- 4) Destination records as to the condition and quantity of the cargo at the time received from the destination rail carrier. If shortage is involved, destination seal records must be furnished.
- 5) Verification of the amount claimed such as certified invoices or repair bills.
- 6) Evidence as to the disposition of the damaged cargo.
- 7) Evidence that shipment was loaded in compliance with the provisions herein.
- 8) Carrier reserves the right to summarily deny any and all claims submitted that does not contain all or part of the aforementioned documentation.

CARRIER LIABILITY - LOSS AND DAMAGE TO LADING (continued)

ITEM 80

CLAIMS: (continued)

CARMACK LIABILITY:

49 U.S.C. Section 11706 provides for full value liability and other liability terms for the rail carriers and the shipper. To make a shipment pursuant to the terms of 49 U.S.C. Section 11706, the shipper must comply with all of the following provisions:

- 1) Shipper must notify rail carrier no less and seventy-two (72) hours before the rail car is released for transportation that the shipper chooses Carmack Liability protection.
- 2) The shipper must have prepaid the Carmack Liability rate obtained from KCS' Marketing Department.
- 3) The shipping instructions are subject to a specific pricing authority, which shall be specifically noted.
- 4) Carmack liability coverage is not available for shipments that originate in Mexico.

FREIGHT LOSS AND DAMAGES LAWSUITS:

All lawsuits must be filed within eighteen (18) months from the actual loss or damage or in the event of non-delivery from the expected date of delivery by rail carrier.

SEALS:

It is the sole responsibility of the shipper to apply appropriate and adequate seal security devices necessary to protect the cargo while in transit. KCS does not apply seals or security devices except in the case of a breach of shipment integrity while in transit. KCS does not, in all cases, inspect shipments for seal integrity nor the adequacy of seals or security devices. In the event that a seal or a security device is broken, or missing, the absence or breach of a seal will not create a presumption of contamination or theft without actual physical evidence. As a condition precedent to recovery for loss of, or damage to goods caused by a breach of shipment integrity while in transit, the shipper is responsible for the documentation of the application of seal type and identification numbers at origin and the seal number(s). The seal type, seal numbers and identification numbers must be included in any claim presented for such losses. KCS will not be responsible for losses or shortages of any kind without proof that shipper applied appropriate and adequate seal security devices.

For KCS to consider a claim for contamination of cargo the shipment must be sealed by the actual shipper or its agent. The minimum seal will be a barrier type seal meeting American Society for Testing and Materials (ASTM) standards, a cable seal 1/8 inch in diameter, a high security bolt seal, or its equivalent. All seals utilized by the shipper will be sequentially numbered and recorded on the bill of lading or shipping instructions. The shipper will maintain for one year a record of the date and time of the application of seal, and the identity of the person applying the seal.

KCS will not consider any claim from cargo contamination unless the above minimum standards are met.

CHANGE IN PROVISION(S)

ITEM 90

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.

CHANGES IN RAIL OPERATIONS

ITEM 100

The terms of agreements making reference hereto, in no way obligate KCS to continue ownership, maintenance (including weight standards), or operation of any rail lines. KCS will not be liable for any consequential, incidental, special or punitive damages or increased transportation costs incurred as a result of KCS' discontinuation of ownership, maintenance (including weight standards), or operations of any rail lines.

If an agreement making reference hereto has a Minimum Volume Requirement and a party fails meet the requirement due to the lawful cessation of service or abandonment of rail lines during any period of the agreement, waiver of the Minimum Volume Requirement shall be that party's sole remedy.

CHARGES HEREIN SUBJECT TO INCREASE

ITEM 110

Charges published herein are subject to increase by republication.

COMBINATIONS, RATES USED IN

ITEM 120

If charges published in this publication or any charge referring to this publication, are used in constructing combination rates, such combinations will divide as made.

CREDIT EXTENSION

ITEM 130

1. Shipments must be accompanied by full payment of charges unless consignor on Pre-paid shipment or consignee on Collect shipments has established credit to the satisfaction of the rail carrier responsible for collection of charges. For purposes of this item, "pre-paid" shipments shall mean shipments for which the originating rail carrier bears the billing and collection responsibilities and "collect" shipments shall mean shipments for which the delivering rail carrier bears the billing and collection responsibilities.
 - (a) Payment of all charges shall be made according to the terms established by the billing rail carrier. Charges payable to the Kansas City Southern Railway Company shall be paid within fifteen (15) calendar days, including Saturdays, Sundays, and legal holidays, from the date of the freight bill. If Customer has requested KCS to suppress mailing freight bills and customer to pay freight charges from their own records, credit terms are 15 calendar days from the waybill date. Accessorial charges (e.g. demurrage, switching, weighing) are due within thirty (30) calendar days including Saturdays, Sundays and Holidays from the date of the accessorial bills.
 - (b) Payment shall be deemed to have been made upon receipt of funds in rail carrier's bank.
 - (c) The term "freight bill" as used in this item includes paper documents, billing by electronic data interchange ("EDI"), and invoice procedures.
2. In no event shall any amount(s) claimed against KCS, 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 KCS, the party making such offset or deduction will be assessed a service charge of ten percent (10%) plus one and one half percent (1½%) per month of the amount offset or deducted. Freight charges or other charges due must be paid in full, and any claim against KCS must be asserted separately in accordance with the applicable procedure.
3. In the event freight charges or other charges due KCS are not paid in full, KCS 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 KCS' 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 KCS. The finance charge will not apply against disputed charges that are found by KCS 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.
4. KCS 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 prepaid or paid by a person or entity with approved credit status with KCS; or
 - (b) Require that the consignor or consignee responsible for the payment of freight 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 beginning the first 7:00 A.M. following the sending or giving of notice of arrival.
5. As used in this item: (a) the term "shipper" includes without limitation consignors, consignees, freight forwarders, shipper's associations, and shipper's agents and (b) "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.

CREDIT EXTENSION (continued)

ITEM 130

6. In the event that there are bills being disputed, an explanation should immediately be submitted to KCS {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 patron's claim, filed within the statutory period. Should a customer receive bills that they are not responsible for paying, they should immediately notify the rail carrier (not later than as prescribed by there authorized Credit Terms.)

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 the payer.)

Shipper and consignee shall be liable for payments of the transportation charges accruing on a shipment, and nothing herein shall limit the right of KCS to require at time of shipment the prepayment of charges or guarantee thereof. Customer will pay KCS if shipment is prepaid, or be responsible for payment if shipment is made collect, and pay immediately upon presentation of a bill by KCS. If shipper or consignee has entered into an agreement for credit with KCS, the terms and conditions of the credit agreement will supersede any prepayment or payment upon demand requirement. If transportation charges have not been prepaid, or shipper or consignee has not entered into an agreement for credit with KCS, KCS may withhold delivery of the shipment until payment or guarantee by customer or consignee of all charges. Placement of equipment by KCS under credit agreement for unloading shall be deemed acceptance of shipment.

Acceptance of shipment by consignee or beneficial owner shall be deemed acceptance of responsibility for payment of all charges accruing on the shipment, including detention 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. 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.

COMMODITIES FROM OR TO A FOREIGN COUNTRY

ITEM 140

Unless otherwise provided in an agreement, the transportation, or any portion thereof performed within a foreign country, will be subject to all laws and rules pertaining to the railroad transportation in that country, including but not limited to, environmental, taxing, civil, commercial, **loss and damage to cargo**, administrative and labor laws, rules, decrees, ordinances, Mexican Regulatory Railroad Service Law and its Regulations (without giving effect to the principles of conflicts of laws). KCS shall not be liable for freight loss or damage that occurs while cargo is in the possession of an international or a domestic rail carrier in a foreign country. Shippers acknowledge that "full liability" coverage is available from KCS by contacting KCS.

Rates for shipments moving in Bond for clearance by U.S. Customs at a KCS rail facility will not include the unloading, segregating or reloading of freight when required to accomplish U.S. Customs clearance. Such unloading, segregating and reloading of freight is the responsibility of consignor and/or consignee.

COMMODITIES NOT ACCEPTED UNDER THIS PUBLICATION

ITEM 150

Unless otherwise authorized coins, currency, valuable papers of any kind, precious metals or stones or articles manufactured therefrom, old rare or precious articles of extraordinary value, or articles liable to damage transportation equipment or other freight will not be accepted for transportation and KCS shall have no liability for loss, damage or theft of these items.

COMMODITIES NOT ACCEPTED UNDER THIS PUBLICATION (continued)

ITEM 150

In addition to the above, the following articles will not be accepted for transportation in TOFC and COFC:

- Acids, liquid, in carboys
- Animals, live
- Articles described under Rule 3 of the Uniform Freight Classification
- Articles exceeding inside length of van-type trailer used or articles exceeding length of flat-bed trailer used
- Articles requiring protective service
- Bees
- Blacks (carbon gas or oil blacks), lamp black or vegetable black, dry, NEC, not activated, not dyes or dyestuffs
- Bulk commodities, excluding articles in packages, bundles or units weighing 8 pounds or over, also excluding articles in tank trailers (carriers will not furnish tank trailers) and bulk agricultural commodities shipped in privately owned intermodal equipment (Notes 3 and 4)
- Carcasses, animal, bird, poultry or reptile
- Carrion
- Explosives as described in Classes A and B, Section 173.53 to 173.93 of Tariff BOE 6000
- Fresh meat, packing house products and dressed poultry, as described in Items 67780 to 68010 of UFC 6000 (Note 2)
- Fruits, fresh; or vegetables, fresh or green, as described in Item 40050, 41050 and 41815 to 42220 of UFC 6000
- Missiles, guided, or rockets, guided; guidance system or electronic guidance control apparatus for installation in missiles or in missile sections; missile or rocket from assemblies containing electronic apparatus; or mobile missile guidance systems as described in Items 69093 to 69098 of UFC 6000
- Motor vehicles, freight or passenger or combination of freight or passenger, complete or not complete, finished or not finished
- Radioactive materials
- Railway wheels, new or used, when moving on other than flat bed trailers
- Trailers, freight, or tank trailers, new or used, including freight trailers, noibn, as described in Item 92900 of UFC 6000, but excluding farm or freight cars, trucks or wagons, noibn, as specifically described in Item 92900 and other than as described in Items 93080, 93100 and 93110 of UFC 6000 (Note 1)
- U. S. Mail of any class
- Waste materials: Hazardous, having no reclamation value, as described in Part 1, Title 40, Code of Federal Regulations.

Every party, whether principal or agent, shipping any of the above identified commodities or other explosive or dangerous goods, without full written disclosure to the rail carriers of their nature, shall be liable for and indemnify KCSR against all loss or damages caused by such goods, and such goods may be warehoused at owner's risk and expense or destroyed without compensation to owner. The transportation charges for any such commodities transported by KCSR shall be ten times the highest TOFC/COFC rate in effect between the origin and destination of the shipment.

Note 1: Will not apply on empty tank trailers on which an inbound haul was received.

Note 2: This restriction does not apply on shipments of lard, noibn, shortening as described in Item 67840 of UFC 6000.

Note 3: This RESTRICTION does not apply on shipments of synthetic plastic materials, other than liquids, in plastic liner bags, loaded in dry van trailers subject to the following:

- A. Shipper must furnish and install the plastic liner bag at shipper's expense.
- B. Consignee must remove the empty plastic liner bag after the shipment is unloaded.
- C. Carrier assumes no liability for breakage of the plastic liner bags.
- D. Carrier assumes no responsibility for return movement of empty plastic bags after inbound loaded movement.

Note 4: For the purpose of applying this rule, the term "bulk commodities" includes:

- A. Commodities moving in tank trailers furnished by carrier at carrier's expense.
- B. Any commodities shipped loose, or in mass, which must be shoveled, scooped, or forked in handling and which are neither in packages nor in units of such size as to readily permit handling piece by piece.

CONFIDENTIALITY

ITEM 160

No party may disclose the terms of a non-public rate making reference hereto to any non-party without the prior written consent of the other parties except:

- 1) as required by law;
- 2) to a corporate parent, subsidiary or affiliate; or
- 3) to auditors retained by a party for the purpose of assessing the accuracy of freight charges, but only if the auditor agrees in a written legally binding instrument that it will abide by this Item. Each party agrees to indemnify the other from and against any damage suffered by a party as a result of any disclosure by its auditor in violation of this provision.

CONSECUTIVE NUMBERS

ITEM 170

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.

CONSIGNOR, CONSIGNEE AND DESTINATION

ITEM 180

Unless otherwise authorized by an agreement, the name of only one shipper, one consignee and one destination shall appear on a Shipping Document, except that the Shipping Document may specify the name of a party at the same destination to be notified of the arrival of a shipment.

DUNNAGE

ITEM 190

Except as otherwise provided in an agreement, temporary blocking, flooring or lining, corrugated fibreboard 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 his 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.

EQUIPMENT AND MILEAGE PAYOUT ON PRIVATELY OWNED CARS

ITEM 200

If mileage allowance agreed upon is less than the allowance that would be payable under RIC 6007-Series, or an agreement provides for no mileage allowance, the party to the agreement warrants that its interest in the equipment used under the rates in the agreement making reference hereto is sufficient to permit it to waive full payment of mileage allowances. In the event that a party other than the party agreeing to reduce or eliminate the mileage allowance submits a claim to KCS for mileage allowance payments in excess of KCS' obligation under the agreement, the party to the agreement shall at KCS' option either; (1) release, defend and indemnify KCS from said claim including attorney's fees and cost of litigation, or (2) reimburse KCS for excess mileage allowances paid by KCS within thirty (30) days of notice by KCS.

KCS shall not be liable for loss of or damage to the commodity transported due to defects in the private equipment or improper loading.

Use of private equipment is limited to cars, which have been authorized by KCS to operate over its lines. Nothing in any agreement making reference hereto shall be construed as requiring KCS to grant such authorization.

Nothing in any agreement making reference hereto shall affect or be construed to affect any arrangement, interchange agreement or other agreement between customer and KCS with respect to the use, maintenance, operation or repair of, or payment for damage to or destruction of such private cars.

EQUIPMENT AND MILEAGE PAYOUT ON PRIVATELY OWNED CARS (continued)

ITEM 200

Private containers moving COFC (flat on car), without chassis, will be subject to the following rules:

- Shipper and/or Consignee must provide for wheeled chassis at destination ramp.
- A chassis will be accepted twenty-four (24) hours in advance of the scheduled train arrival.
- If a chassis (or other equipment) is not available when the train is unloaded, the shipper or consignee shall be subject to an additional charge of fifty dollars (\$50.00) per container for each extra lift, due to chassis unavailability.

TOFC AND COFC specifications:

1. Trailers and containers must be equipped with suitable lifting pads and tie-down brackets, and must be in such condition as to permit safe handling. KCS will not be responsible for any damages to the trailer/container or the lading if the equipment does not have lifting pads.
2. Closed trailers and containers must be equipped with closed side and/or end doors. The doors must be tightly fitted and have suitable locking and/or sealing devices.
3. Loaded open-top or flatbed trailers must be protected by tarpaulin or other adequate protection supplied and installed by the consignor.
4. For street movement, two 20' loaded containers should not be loaded on a single 40' chassis when the combined gross weight of the two containers exceeds 45,000 pounds.
5. For street movement, two 20' containers (loaded or empty) should not be loaded on a conventional (non 8-pin) chassis.
6. The KCS will not load containers on flat beds which have not been modified with bulkheads or twist locks that provide a positive locking mechanism.
7. Locks placed by shippers must be removed by the consignee. KCS assumes no responsibility for their return.
8. Tank containers loaded with liquid commodities will be subject to the following specifications:
 - A. Tank containers exceeding 7,000 gallons in capacity must be equipped with baffles so that no section exceed 1,200 gallons in capacity, or 120 united inches in length. Each baffle must have an area not less than 80 percent of the cross-sectional area of the tank.
 - B. Tank containers must be loaded to not less than 80 percent of rated capacity of tank.
 - C. Liquid bulk containers will only be accepted as a COFC movement.

EQUIPMENT, USE OF KCS FURNISHED

ITEM 210

When upon request of the consignor, KCS furnishes an empty car for loading of a line-haul movement and such movement is routed from origin station via a rail carrier other than KCS, a charge of \$1200.00 per car will be assessed to the person, firm or corporation ordering the car. This charge will be in addition to any other charges, which may be due from customer.

The \$1200.00 charge will not be assessed when consignor has received prior concurrence of KCS' equipment control department to use such equipment for an out-bound movement via a rail carrier other than KCS from origin station.

Guidelines for TOFC and COFC equipment picked up and returned unused and Shipper's instructions to reserve empty TOFC or COFC are provided in:

REZ 1: NACS containers, EMPU containers and rail controlled trailers

Unless otherwise provided, consignor must accept empty TOFC or COFC at KCS' terminal at origin perform pickup service, including loading of freight into TOFC or COFC and delivery of loaded TOFC or COFC to KCS.

Unless otherwise provided, consignee must accept delivery of loaded TOFC or COFC at KCS' terminal at destination, perform delivery service including unloading of freight from vehicle(s) and return empty TOFC or COFC at same location.

A trailer interchange and safety inspection form must be executed between KCS and consignor, or his agent, at the time trailer is accepted at KCS' terminal at origin or other location agreed upon by KCS, and a similar form must be executed between KCS and consignee, or his agent, at the time vehicle is accepted at KCS' terminal at destination or other location agreed upon by KCS on a form to be furnished by KCS covering utilization of TOFC or COFC by consignors, consignees, or their agents, while in their possession.

EQUIPMENT, USE OF KCS FURNISHED (continued)

ITEM 210

Consignor is relieved of the responsibility of accepting the empty TOFC or COFC at KCS' terminal at origin, or consignee is relieved of the responsibility of returning empty vehicle(s) to KCS' terminal at destination, when TOFC or COFC is interchanged with a motor carrier or other party with whom KCS has executed a trailer exchange contract at KCS' terminal and the consignor, consignee, or their agent, executes the following certificate which will be provided by KCS as a part of the trailer interchange and safety inspection report:

"User (consignor or consignee) hereby certifies TOFC or COFC was furnished for loading or unloading outside the KCS' origin/destination terminal area."

When shipments are billed from consignor or to consignee, neither of which is the beneficial owner of the freight, the name and address of the beneficial owner must be shown on shipping order.

FOOD SHIPMENTS

ITEM 215

Brokers are required to notify KCS seventy two (72) hours in advance of arrival at the Mexico U. S. border of any food type rail shipments. Should a Broker fail to provide seventy two (72) hours advance notice to KCS, the Broker shall reimburse KCS the amount KCS is penalized for the failure to provide appropriate notification to the proper authorities, in addition to a \$500.00 surcharge.

FORCE MAJEURE

ITEM 220

In the event any party is unable to meet its obligations under the agreement making reference hereto because of Acts of God, war, insurrection, sabotage, terrorism, strikes, derailments or any like causes, the obligations of the party so affected shall be relieved of those obligations under the agreement to the extent its performance is prevented by such Force Majeure. To be relieved of obligations under the agreement the party affected must notify the other parties of the date of occurrence of the event of Force Majeure and the cause of the event within seven (7) days of the occurrence.

FREIGHT REQUIRING HEAT OR REFRIGERATION

ITEM 230

Line-haul rates do not include the cost of Mechanical Protective Service against heat or cold unless otherwise provided in Exempt Rate Quotations or Contracts. KCS is under no obligation to provide Mechanical Protective Service against heat or cold and will assume no responsibility for loss and damage arising from lack of same, unless a specific request is made by consignor, consignee or owner of perishables to provide such service and proper notation is placed on the Shipping Document.

FUEL SURCHARGE

ITEM 240

APPLICATION:

1. A fuel surcharge as calculated pursuant to this publication shall apply to:
 - (a) all regulated common carrier line haul freight rates existing or established by KCS on or after April 26, 2007; and
 - (b) all line haul freight rates and charges with respect to exempt traffic, and line haul freight rates and charges in contracts, private price quotations or other pricing documents, that both reference this publication and are entered into or issued and effective on or after April 26, 2007.
2. The fuel surcharge will:
 - (a) apply in the event the monthly average price per gallon of highway diesel fuel (the "HDF Average Price") equals or exceeds \$2.30.
 - (b) be adjusted on a monthly basis.
 - (c) be equal to 5¢ per mile when the HDF is between \$2.30 and \$2.34 per gallon, plus 1 cent per mile for every incremental 4 cents per gallon.
 - (d) be indexed to the U.S Department of Energy, Energy Information Administration's published monthly average price of U.S. No. 2 Diesel Retail Sales by All Sellers (HDF #2) and rounded to the nearest 1/10th of a cent applying conventional rounding principles.
 - (e) be calculated using the published EIA monthly average two months prior to the current month.
 - (f) be billed to applicable to shipments having a waybill dated on or after the first of the second calendar month following the calendar month of a given HDF Average Price determination.
3. KCS will apply a mileage-based fuel surcharge to the line haul rates and charges described herein to each shipment with a waybill dated on or after the first day of the second calendar month following the calendar month of a given HDF Average Price determination.
4. If DOE-EIA ceases publication of the above information, KCS will employ a suitable substitute source of price or measure.
5. Mileage will be based using "Fuel Surcharge miles" on the ALK Technologies PC*Miller Rail Program.
6. The mileage for each carrier's segment will be rounded and the fuel surcharge amount will be calculated separately

FUEL SURCHARGE: (continued)

ITEM 240

for each carrier based on the rounded number. The amounts for each carrier will be added together and the total amount will be stated on the freight bill.

7. U. S. Central Time will be the time determined for receipt of billing instructions whether via EDI or fax.

8. The following table reflects a sampling of the fuel surcharge within the included HDF Average Price range.

HDF Average Price (Per Gallon)			Fuel Surcharge (Cents Per Mile Per Car)
\$0.00	to	\$2.299	\$0.00
\$2.30	to	\$2.339	\$0.05
\$2.34	to	\$2.379	\$0.06
\$2.38	to	\$2.419	\$0.07
\$2.42	to	\$2.459	\$0.08
\$2.46	to	\$2.499	\$0.09
\$2.50	to	\$2.539	\$0.10
\$2.54	to	\$2.579	\$0.11
\$2.58	to	\$2.619	\$0.12
\$2.62	to	\$2.659	\$0.13
\$2.66	to	\$2.699	\$0.14
\$2.70	to	\$2.739	\$0.15
\$2.74	to	\$2.779	\$0.16
\$2.78	to	\$2.819	\$0.17
\$2.82	to	\$2.859	\$0.18
\$2.86	to	\$2.899	\$0.19
\$2.90	to	\$2.939	\$0.20
\$2.94	to	\$2.979	\$0.21
\$2.98	to	\$3.019	\$0.22
\$3.02	to	\$3.059	\$0.23
\$3.06	to	\$3.099	\$0.24
\$3.10	to	\$3.139	\$0.25
\$3.14	to	\$3.179	\$0.26
\$3.18	to	\$3.219	\$0.27
\$3.22	to	\$3.259	\$0.28
\$3.26	to	\$3.299	\$0.29
Each \$0.04 per gallon increase thereafter			Additional 1 cent per mile

Notice will be published on KCS' web page at <http://www.kcsouthern.com>. Customers can determine the Fuel Surcharge rate by going to the Home Page choose the 'Customers' link, then click the 'Fuel Surcharge Information' link. Any Fuel Surcharge applied to the line haul freight charge(s) referencing this authority will be removed or reduced when the price of per gallon of highway diesel fuel (HDF) remains below the price which triggers a specific surcharge bracket. Reductions will be made promptly after they become applicable.

GOVERNING LAW

ITEM 250

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

HAZARDOUS COMMODITY

ITEM 260

The shipper of any hazardous commodity (herein defined by U.S. DOT 49 C.F.R. part 172 (hazmat), U.S. DOT 49 C.F.R. part 130 (oil); OT-55 Environmentally Sensitive Chemicals; and any commodity which when released into the environment violates the Clean Water Act, shipped via KCS, shall indemnify KCS and hold KCS harmless for any and all loss, liability, cost resulting from governmental enforcement actions brought by federal, state and local

HAZARDOUS COMMODITY (continued)

ITEM 260

Agencies including EPA, FRA and DEQ's or any cost whatsoever that KCS may incur or be held responsible for, to the extent that such liability is due to, or arising from, defects in or failure of shipper's cars and equipment, or loading or unloading rack operations and container closure securing (as properly described in the "Association of American Railroads Recommended Methods for Safe Loading and Unloading of Tank Cars") of which may result in a non-accident related release in transportation, injury, exposure, evacuation, road closure, or shipper's failure to conduct proper packaging, blocking, bracing, and container closure (as properly described in the "Association of American Railroads Approved Methods for Loading and Bracing Carload and Less Than Carload Shipments") or mis-identification of commodity shipped during transportation to include providing KCS with non-complying hazmat shipping documents, placarding and markings (or lack thereof) which do not comply with U.S. DOT regulations.

INTERMEDIATE APPLICATION OF RATES

ITEM 270

Except as otherwise specially provided in individual rate agreements, rates will not apply from or to points intermediate to the origins or destinations specified in such individual rate agreements.

LOADING AND UNLOADING

ITEM 280

Consignors and consignees are required to load and unload cars.

MAXIMUM WEIGHT ON RAILS

ITEM 290

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

KCS 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.

MINIMUM CARLOAD WEIGHTS

ITEM 300

(This item is applicable only when the stated carload minimum weight is made subject to this item by specific reference.) When shipments are loaded in cars not exceeding 52 feet 8 inches in length (inside measurement) they shall be charged at not less than the stated carload minimum weight. When shipments are loaded in cars of a greater length the stated carload minimum weight is increased by twenty-five percent (25%).

MECHANICAL PROTECTIVE SERVICE

ITEM 310

Mechanical protective services are subject to additional charges and must be agreed to in writing prior to the time services rendered.

Subject to Item 230, the party issuing the Bill of Lading shall specify on the bill of lading whether the commodities loaded in equipment are perishable in nature requiring protection against heat or cold. If no such specification is made, KCS shall not be responsible for any loss or damage arising from the lack or failure of such protection. Subject to the conditions of this Item for shipper owned or leased cars where mechanical service (MPS) units including minor repairs, fuel oil, lubrication and other supplies. The expense of operating the MPS units will be borne by the car owner, and the actual cost of labor for any maintenance, service or repairs, and for material (plus 15% material handling charge), fuel oil, lubricating oil and other supplies furnished to such MPS units shall be billed to the car owner directly by the railroad incurring the cost of furnishing such services.

MIXED CARLOAD SHIPMENTS

ITEM 320

Except as may otherwise be provided in individual agreements, when two or more commodities for which different ratings or rates apply are shipped in a single carload, the rate to be assessed on the entire shipment will be that applicable of the higher rated article.

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.

OBLIGATION AFTER TERMINATION

ITEM 340

Termination of an agreement making reference hereto, for any reason, will not release any party from its obligations accrued prior to the termination.

OVERCHARGE, OVER COLLECTION OR DUPLICATE PAYMENT CLAIM PROVISIONS

ITEM 350

A. Claim requirements, time limits - KCS 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 KCS to conduct an investigation, including the name of the claimant, which must be the payer; his claim number; the amount of the claim; the original freight bill; freight bill payment information and supporting documents, which show, among other things, that KCS 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 KCS or delivering rail carrier of the subject shipment.

B. Where movements over KCS form a segment of a through movement involving other 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 KCS.

OVERLOADED CARS

ITEM 360

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.

If a car is overloaded, shipper is responsible for the removal and disposal of the excess portion of the lading of the car. KCS will not be responsible for damaged goods or loss of lading resulting from the process of removing excess portion and KCS does 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 KCS, indicating that the excess tonnage has been removed from each car, weighing charges for each overloaded car, including applicable switch charges as published in KCS 8100-Series, such supplements thereto and successive issues thereof 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 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 KCS' choosing until the excess lading is removed and will be subject to a surcharge of \$750.00 per car, the applicable switch charge as provided in KCS 8100-Series, such supplements thereto and successive issues thereof 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 KCS. Cars found to contain excess lading at origin will remain on continuous demurrage under the provisions found in KCS Demurrage publication 6000-Series, until the excess lading is removed.

OVERLOADED CARS (continued)

ITEM 360

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, KCS 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 KCS may, at the option of KCS' 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.

OVERLOADED OR OVERCROWDED CARS DISCOVERED AT MOSSVILLE, LA

ITEM 370

When a car, which has been loaded on KCS at Rose Bluff, West Lake or West Lake Charles, LA, is discovered to be overloaded or overcrowded upon arrival at scale located at Mossville, LA, customer will be notified to remove the excess as provided in this publication. If the car can be safely moved, upon receipt of instructions from customer, KCS will move car back to the original point of loading and a charge of **\$415.00 per car** will be assessed. This charge covers movement of car from original point of loading to scale and return to original point of loading.

PACKAGING

ITEM 380

All loading, bracing and blocking must comply with the applicable, Association of American Railroad's pamphlet or general information series publication or modifications approved by KCS' Damage Prevention Services prior to shipment. Shippers are required to take all necessary additional steps to protect their product during rail transportation.

In the event of a load shift, when it is determined by rail carriers that there was insufficient or improper blocking and bracing, the shipper shall be responsible for all expenses, including but not limited to, the repair of damaged equipment, loss or damage to cargo, and transfer services. In addition, all charges, administrative, civil fines, storage and demurrage are due and payable in full before the railcar or the cargo is released.

RAIL OPERATIONS-ORDER/NOTIFY SHIPMENTS

ITEM 390

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 KCS 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 KCS to arrange special handling.

KCS does not provide Order/Notify service. Bills of lading or shipping instructions tendered to KCS in the form of an order/notify bill of lading will be handled as straight bills of lading. Instructions to the effect of requiring KCS 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 KCS 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 KCS shall have no liability for delivering a shipment to the consignee listed in the bill of lading in such circumstances.

RECORD KEEPING AND AUDITS

ITEM 400

Shipping party will keep accurate records of shipments covered by the agreement making reference hereto, and designated railroad personnel or its agent will have, at reasonable times, the right to inspect such records kept by customer for the purpose of determining compliance with the terms of the agreement.

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

ITEM 410

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.

RETURNED, REFUSED OR REJECTED SHIPMENTS

ITEM 420

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.

STCC NUMBERS, EXPLANATION OF

ITEM 430

The two, three and five-digit STCC numbers shown with commodity descriptions will also embrace all articles assigned additional digits listed thereunder, as described in Section 2 of Tariff STCC 6001-series. For example, STCC 25 also embraces articles covered by numbers with a greater number of digits beginning with STCC 25.

SEVERALBILITY

ITEM 440

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.

SOUTH TEXARKANA, TX RATES FROM TEXARKANA, AR APPLICATION

ITEM 450

Subject to conditions set forth in Paragraphs 1 and 2 below, rates and routes applying on STCC 26 Commodities from South Texarkana, TX on the one hand, and interstate destinations on the other hand, will also apply on STCC 26 commodities from Texarkana, TX as follows:

1. Car(s) must be billed and rated via KCS direct from International Paper's mill at South Texarkana, TX to Commercial Storage Warehouse, Texarkana, AR.
2. Car(s) must be billed and rated from Commercial Storage Warehouse, Texarkana, AR, via KCS direct, or KCS and connections, to destinations covered by KCS rates applicable from South Texarkana, TX.

STATION LIST AND CONDITIONS

ITEM 460

Shipments subject to this publication shall be governed by OPSL **6000-Series (Open and Prepay Station List)** to the extent shown below:

For additions and abandonment of stations and except as otherwise shown herein, for prepay requirements, changes in names of stations, restrictions as to acceptance or delivery of freight, and changes in station facilities. When a station is abandoned as of a date specified in the above named tariff, the rates from and to such station as published in this publication are inapplicable on and after that date.

For geographical locations of stations.

For the identification of stations when stations are shown or referred to by numbers.

THIRD PARTY BENEFICIARIES

ITEM 470

The services provided by KCS under this publication are intended for the benefit of the shipper except to the extent expressly stated otherwise in this publication and are **not** intended for the benefit of any third party. Any standards of service contained in this publication, any transportation contract or offering is solely for the benefit of the shipper or contracting party to the transportation contract or offering.

Shipments moving pursuant to this publication represent the bargain struck between KCS and shipper or party arranging rail transportation and are contingent upon the rates, levels of liability and other terms and conditions agreed upon between KCS and the shipper or party arranging the rail transportation for the movement. Frequently, the contract for the rail portion of a movement may be only one contract in a series of other contracts between other parties. None of these parties are the intended third party beneficiaries of the rail contract. Furthermore, any liability on the part of KCS extends only to the shipper or party arranging the rail transportation and is limited to the terms and provisions set out in this publication and the governing contract. The shipper or the party arranging rail transportation acknowledges that the bargain with KCS neither contemplates or creates liability on the part of KCS towards any other party, whether in tort or contract, nor places upon KCS any liability in excess of the

THIRD PARTY BENEFICIARIES (continued)

ITEM 470

liability assumed by KCS under this publication and the governing rail contract. Accordingly, the shipper or the party arranging rail transportation warrants its authority to bind the cargo owner to this publication and its authority to tender the cargo to KCS. By tendering the cargo to KCS, the shipper or the party making arrangements for rail transportation on behalf of either the cargo owner or an agent of the cargo owner shall be bound by the terms of this publication and shall indemnify KCS against any claim by the cargo owner or any person or agent, which is contrary to any provisions (including but not limited to any limitations of liability) in this publication and the governing rail contract, for any amounts that exceed the liability assumed by KCS under this publication and the governing rail contract plus the reasonable cost of defense and attorneys' fees for KCS.

TRANSPORTATION CHARGES TO APPLY

ITEM 480

The charges applicable to the transportation from origin to destination will be specified upon by an agreement making reference thereto in effect on the date the equipment is actually or constructively placed for loading as reflected on the bill of lading. Any alternative, addition or erasure in the bill of lading made without special notation thereof of a KCS agent shall be without effect, and the rate agreed upon by an agreement, making reference hereto, as originally reflected in the bill of lading shall be the applicable rate.

Description of articles on the Shipping Documents must show the STCC numbers and conform to the Standard Transportation Commodity Code. When different rates or charges are provided for the same article according to the type of packing or package, the type of packing or package should be shown. For description of explosives and hazardous materials, see EXPLOSIVES AND OTHER HAZARDOUS MATERIALS.

KCS reserves the right to inspect shipments and if upon inspection it is ascertained that the commodity shipped is not as described on the bill of lading or other shipping document, freight charges will be collected at a transportation rate twice that applicable to the proper description.

TRANSPORTATION SERVICES

ITEM 490

On carload shipments, shipper will notify KCS when loading of equipment is completed and ready for movement or when loaded equipment is made empty and ready for release to KCS. Unless otherwise mutually agreed upon by shipper and KCS, shipper shall prepare and both parties shall execute the transportation documents to cover the line haul transportation services requested by shipper. Shipper will provide instructions for the transportation services requested for the shipment. KCS will arrange for transportation and delivery in accordance with instructions shown on the bill of lading, which instructions shall be governed by this publication.

UNLOADING AND RELEASE OF EQUIPMENT AT DESTINATION

ITEM 500

Upon arrival and placement of equipment for unloading at destination, consignee will be responsible for unloading equipment in a manner which does not damage equipment, and for releasing equipment in a condition suitable for reloading by another customer. In order for cars to be considered released, consignee must advise the agent of the delivering railroad by telephone or fax on such form mutually agreed upon by the delivering railroad and consignee that equipment is unloaded and available for release. Information provided by consignee must include identity or consignee, name of person furnishing data and car initial and number. Delivering rail carrier will maintain the record of such information and shall also note on said record the date and time of receipt and identity of the person receiving the information. Equipment will be considered released on the date and time advice is received from the consignee.

Consignee is responsible for, all expenses including but not limited to, unloading all rail equipment and removing all material, dunnage, debris and trash from the equipment. When KCS owned, leased or controlled equipment, is released to railroads as empty, when in fact the cars contain material from the prior shipment, dunnage, debris or trash, or are in any condition other than empty, KCS will assess and consignee will pay a \$700.00 per car charge. Applicable demurrage, detention and storage charges shall continue to apply until equipment is released to delivering rail carrier in clean condition or upon completion of any action by the delivering rail carrier to remedy the consignee's failure.

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

WAIVER

ITEM 510

The failure of any party to enforce any provision of an agreement, making reference hereto, will not be construed as a waiver of the provision, nor does the failure preclude subsequent enforcement of the provision.

WASTE, HAZARDOUS - SPECIAL TERMS AND CONDITIONS

ITEM 520

A. TRANSPORTING OF HAZARDOUS WASTE

The shipper or party arranging transportation pursuant to this publication must comply with the "KCS Hazardous Waste Manifest USEPA Requirements for Rail Transportation" guidance document. This guidance document can be obtained by contacting the KCS' Customer Service Center at 800-468-6527. Shipments shipped pursuant to this publication must comply with the applicable regulatory requirements under 40 C.F.R. and 49 C.F.R..

B. LOADING AND UNLOADING

Shipper shall have the sole responsibility, at its sole expense, for properly packaging, labeling, marking, blocking, bracing, placarding, loading and unloading the commodity into or out of equipment to be transported pursuant to this publication. Shipper shall comply with the loading guidelines of the Association of American Railroads and applicable federal, state and local loading rules or other loading rules as modified to meet the needs of shipper subject to approval of Railroads' Risk Management Division as well as applicable federal, state and local requirements regarding the handling of the Commodity.

Shipper shall further be responsible for insuring that the load limits of any equipment used for transporting the commodity under agreements making reference to this publication are not exceeded. In the event it is discovered that equipment has been overloaded, KCS may set out such equipment at a location convenient to KCS and shall notify shipper by telephone, confirmed in writing, of the location of the overloaded equipment. KCS may then either (1) contact shipper in which event shipper shall have 24 hours to remove excess weight; or (2) move the overloaded equipment to a location suitable for removal of the excess weight that meets with all federal, state and local requirements. In any event, shipper shall be responsible for performing and bearing all costs for movement of the overloaded railcar and removal of excess weight. KCS will move the affected equipment to destination in such manner and time as is practicable after KCS receives notice from shipper that excess weight has been removed.

Shipper will be responsible to advise receiver when shipper is not the receiver for inspecting all KCS equipment after unloading the commodity therefrom. Shipper shall be responsible to advise receiver when shipper is not the receiver for cleaning and decontaminating equipment before its return to the KCS, as well as any adjacent or vicinity property at the origin loading location, destination unloading location, and/or any location enroute where such waste has been loaded and/or unloaded in accordance with applicable requirement of federal, state and local laws and regulations including, without limitation, DOT regulation of 49 C.F.R. 174.57. Shipper or receiver shall have the right to arrange for such responsibilities to be carried out by third parties; PROVIDED, HOWEVER, that shipper shall remain obligated to KCS. Notwithstanding, the provisions of the following INDEMNIFICATION paragraph, shipper shall indemnify and hold harmless KCS or the actual owners of equipment used under agreements making reference to this publication from and against any and all liability for loss or damage (including but not limited to loss or damage to fees arising therefrom, or special and consequential damages) resulting from future use of equipment to the extent such loss, damage, personal injury or death resulted from shipper's failure or negligence in inspecting and/or decontaminating equipment prior to release to KCS.

C. NONCONFORMING WASTE

In the event commodity transported under agreements making reference to this publication is delivered to destination and shipper/receiver subsequently determines that such waste does not conform to the description of the waste on the applicable hazardous waste manifest or similar document accompanying such shipment, such waste shall be considered to be "Nonconforming Waste". Shipper shall be allowed to return "Nonconforming Waste" to origin at the same rate that was charged for the inbound movement. KCS will not store "Nonconforming Waste" on its property. In any event, shipper shall be solely responsible for paying any demurrage, detention, hold, storage or additional transportation charges related to the handling of the "Nonconforming Waste". Shipper shall furnish a revised manifest within twenty-four (24) hours, excluding Saturdays, Sundays and legal holidays. If by that time, shipper has not instructed KCS as to the destination and description of the "Nonconforming Waste", KCS shall be authorized to return the "Nonconforming Waste" to original origin at the same rate that was charged for the inbound movement. Any such return movements of "Nonconforming Waste" shall be deemed to be made at the sole discretion of shipper. Shipper shall be solely

WASTE, HAZARDOUS - SPECIAL TERMS AND CONDITIONS (continued) ITEM 520

C. NONCONFORMING WASTE (continued)

responsible for any additional transportation charges related to the handling of the "Nonconforming Waste" including, but not limited to, any costs incurred by KCS subsequent to the determination that the commodity is "Nonconforming Waste". The shipper is further responsible for the preparation of any further shipping papers required by federal, state or local regulations. In the event that any governmental agency or court prohibits KCS from delivering "Nonconforming Waste" to origin, then shipper shall be responsible for all costs (including attorneys' fees) incurred by the KCS due to such prohibition of delivery. Shipper shall indemnify KCS for all costs (including attorneys' fees) and hold the KCS harmless for any claims made against KCS by private parties or government agencies by virtue of the prohibition of delivery.

D. INDEMNIFICATION

Upon delivery to and acceptance of shipper (or an EPA-licensed cleanup/disposal site operator designated by shipper) of the commodity transported under agreements making reference to this publication, KCS shall be relieved from any further obligation with regard to its disposition. Shipper hereby agrees to indemnify and hold KCS harmless from and against any and all loss, damage (including special, punitive and consequential damages), suits, liability, fines and expenses (including, but not limited to, reasonable investigation and legal expenses) arising out of any claim for loss of or damage to property, including without limitation shipper's or KCS' property, and injuries to or death of persons, including without limitation shipper's or KCS' employees, caused by, resulting from, or growing out of the work performed by shipper or a licensed EPA cleanup/disposal operator designated by shipper under agreements making reference to this publication, including but not limited to, damages caused by sudden pollution and shall, at the option of KCS, defend KCS at shipper's sole expense in any litigation involving the same, provided, however, that such indemnification and hold harmless promises shall not apply to claims for loss, damage, injury or death caused by the sole negligence of KCS.

E. JOINT LIABILITY

Except as otherwise provided herein, to the extent the proximate cause of the loss, damage, suits, liability and expenses (including, but not limited to, reasonable investigation and legal expenses) arising out of any claim for loss of or damage to property (including without limitation KCS' or shipper's property) or injury to or death of persons (including without limitation KCS' or shipper's employees), caused by, resulting from, or growing out of the transportation of Hazardous Waste under agreements making reference to this publication, cannot be determined, any amount claimed shall be apportioned equally between KCS and shipper. To the extent an act or omission of either party is not the sole cause but contributes to the above loss or damage, each party shall be liable for only that portion of the loss or damage caused by its negligence. KCS shall not be liable to shipper, and shipper shall indemnify and hold harmless KCS, for all loss (including without limitation attorney's fees and other costs of litigation), damage or injury due to (a) any defects in Private Equipment, (b) improper loading practices, failure to properly close, secure and tender loaded or empty Private Equipment, (c) failure by the shipper (or its agents or contractors) to comply with the representations, warranties and covenants made under agreements making reference to this publication and with the Rules applicable to shipper with respect to the movement of commodities contemplated by agreements making reference to this publication, or (d) the presence of any trace chemicals or contaminants in the commodity which are not described in the commodity's proper shipping name, as provided in Column 2 of Section 172.101 of the U. S. Department of Transportation regulations.

WASTE, HAZARDOUS SPECIALS TERMS AND CONDITIONS (continued) ITEM 520

F. DOCUMENTATION OF WASTES

Waste transported under agreements making reference to this publication shall be as described in the Transportation Service and Charges in each pricing document making reference hereto. Such Waste (Commodity) shall be accompanied by all required shipping documents and shall be properly marked, labeled and placarded as required by KCS' Hazardous Waste Manifest USEPA Requirements for Rail Transportation "guidance document and all applicable federal, state and local laws and regulations. Such Waste shall also be accompanied by hazardous waste manifests as required by applicable federal, state and local laws and regulations. In particular, but without limiting the generality of the foregoing, the following federal hazardous waste manifest, record keeping and reporting requirements shall apply:

1. 40 C.F.R. Part 262 Subparts B and D, to be the obligation of shipper;
2. 40 C.F.R. Part 263 Subpart B, to be the obligation of KCS, as its interest may appear;
3. 40 C.F.R. Part 264 Subpart E or Part 265 Subpart E, as the case may be, to be the obligation of shipper;
4. 49 C.F.R. S. 172.205, to be the obligations of shipper, or KCS, as their respective interests may appear;
5. 40 C.F.R. Part 174, to be the obligations of shipper or KCS, as their respective interests may appear;
6. With regard to polychlorinated biphenyls (PCB's), 40 C.F.R. Part 761 Subparts C, J and K to be obligation of shipper or KCS as their respective interests may appear.

In addition to manifests and other documentation with each request for transportation services under agreements making reference to this publication, shipper shall, upon KCS' request, provide KCS with accurate and descriptive chemical and physical data on the character of the Waste to be transported prior to actual shipment.

G. SELECTION OF FACILITIES AND SITES

1. Shipper warrants that it has sole responsibility to select the disposal facilities to which shipments under agreements making reference to this publication are to be transported (hereinafter referred to as "Designated Facilities").
2. Shipper warrants that it has and will maintain in effect all applicable federal, state or local permits and licenses required to operate shipper's Designated Facilities and that when deliver is to a Designated Facility not owned or operated by shipper, shipper will warrant that it has selected such Designated Facility based on the fact that it has in effect all applicable federal, state or local permits and licenses required for operation.

H. INCIDENTS AND CREDITS

1. In the event of an incident during transportation by KCS' lines under agreements making reference to this publication involving a "hazardous waste discharge" (as that phrase is defined in 40 C. F. R. Section 260.10(a)(13)), or "release" of a "hazardous substance" in "reportable quantities" (as those terms are defined by CERCLA, any regulations promulgated pursuant hereto, and Section 311 of the Clean Water Act, KCS shall immediately notify shipper, and each party shall take immediate action as in required under 40 C. F. R. Part 263, Subpart C (S. 263.30 and 263.32), and 40 C. F. R. Parts 264 and 265, Subpart D (S. 264.56 and 265.56), and any other applicable federal or state laws, rules or regulations, including the notification of the proper federal and state authorities.
2. Regardless of where a "hazardous waste discharge" or a "release" occurs, both parties shall cooperate fully to the extent reasonably necessary to expeditiously and prudently abate or eliminate any hazard; PROVIDED HOWEVER, that nothing contained in this paragraph shall alter shipper's responsibilities and obligations nor KCS' responsibilities and obligations under agreements making reference to this publication.

WASTE, HAZARDOUS SPECIALS TERMS AND CONDITIONS (continued) ITEM 520

H. INCIDENTS AND CREDITS (continued)

3. In any such incident where the expenses of cleanup are the obligation of KCS under the terms of agreements making reference to this publication, shipper shall, upon request of KCS and to the extent it is authorized by law and regulation:

A. accept for disposal waste being disposed of by KCS as a result of the cleanup ("Railroads' Cleanup Waste"), subject to the parties' mutual agreement on the cost of disposal for additional Waste beyond the original waste; and

B. credit against KCS' disposal costs for KCS' Cleanup Waste any monies already collectible by shipper from other parties for the original disposal of the Waste involved in the incident.

4. In any such incident where the expenses of cleanup are the obligation of shipper under the terms of agreements making reference to this publication, KCS shall, upon request of shipper and to the extent it is authorized by law and regulation:

A. transport waste being disposed of by shipper as a result of the cleanup ("Shipper's Cleanup Waste"); and

B. credit against shipper's transportation costs for shipper's Cleanup Waste any monies already payable by shipper to KCS for the original transportation of the Waste involved in the incident.

I. SAVINGS CLAUSE

If any one or more of the provisions contained in this publication shall, for any reason to be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this publication but this publication shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

J. INSURANCE PROVISIONS

1. Shipper agrees to: keep in force comprehensive general liability (including contractual liability) insurance of not less than \$3 million combined single incident limit for bodily injury and property damage and to:

- A. include KCS and subsidiaries as 'additional insured';
- B. include a waiver of subrogation for the insurance to be primary insurance for KCS or its subsidiaries over any insurance maintained by KCS or its subsidiaries;
- C. provide KCS thirty (30) days written notice of cancellation or material change;
- D. include any deductive or retention of insurable risks in provider's account;
- E. furnish a certificate of insurance two (2) weeks prior to time of movement to: Kansas City Southern Railway, Attention: Insurance Dept, P. O. Box 219335, Kansas City, MO 64121-9335.

K. IDENTIFICATION OF COMMODITIES

The International Hazardous Material Classification System HM 181, as outlined in 49-Series C.F.R. Regulations became mandatory October 1, 1993, for all hazardous material/waste shipments. The following will be required on all shipping documents:

"Each shipper who offers for transportation...hazardous material/waste...shall provide the Railroads...any shipping paper that makes the disclosure established by the Secretary under paragraph 2 (shown below) for the Railroads to maintain on the vehicle to be used to provide such transportation".

KCS will not accept shipments that do not comply with HM 181's requirements as outlined in paragraph 2 of 49-Series C.F.R. Regulation and will require:

- (A) a description of the hazardous material/waste including proper shipping name(s)
- (B) the hazard class of the hazardous material/waste
- (C) the identification number (UN/NA) of the material
- (D) immediate first action emergency response information
- (E) telephone number for purpose of obtaining more specific handling

Shipper will be required to identify **ALL** hazardous waste materials being shipped under a hazardous waste manifest and **MUST** list them by proper commodity name on bill of lading.

WASTE, HAZARDOUS SPECIALS TERMS AND CONDITIONS (continued) ITEM 520

L. OIL SPILL PREVENTION AND RESPONSE PLANS

If commodity named in this contract is oil or any part of the commodity is oil that shipper must have full knowledge and comply fully with the provisions of 49 CFR, Part 130, Sections 1 through 33 (which became effective 10-1-93). Under no circumstances will KCS accept for transportation any type of oil as described in 49 CFR, Part 130.5, unless shipper has complied with the above and has furnished KCS with the necessary documents as required under 49 CFR, Part 130.11 paragraph (a). Shipper must comply as per instructions shown in Rule 2 of UFC 6000-series when notification is made to KCS that shipment contains oil.

M. INSPECTION AND CLEANING OF EQUIPMENT

If equipment owned or leased by KCS is used by shipper or its designated agent to transport commodity named under agreements making reference to this publication, shipper shall assume and be responsible for cleaning and decontaminating the equipment to the satisfaction of KCS, before said equipment is returned to KCS. Shipper shall assume and be responsible for visually inspecting and removing any residual waste from the equipment and insuring that sludge, or other residue contaminants resulting from the cleaning of the rail cars shall be properly disposed of in full accordance with applicable requirements of federal, state and local laws and regulations. If shipper fails to decontaminate KCS' furnished equipment used to transport commodity under agreements making reference to this publication to the reasonable satisfaction of KCS, KCS will have the right to have said equipment cleaned and all charges for cleaning will be billed directly to shipper. If equipment owned or leased by KCS cannot be decontaminated or cleaned to the satisfaction of KCS and equipment cannot be returned to general service, shipper accepts full responsibility at KCS' option for disposal, repair or replacement value of said equipment.

TRANSACTION FEE-SHIPPER INSTRUCTIONS ITEM 530

Bill of Ladings (BOL), equipment release, equipment ordering, equipment placement, (this item will also apply on waybill cancellation and waybill correction) and all other switching requests may be transmitted to KCS when KCS is the origin carrier by the following methods:

- a. System to System Electronic Data Interchange (EDI);
- b. KCS Shipping Instruction tool on the Internet <http://www.kcsouthern.com>
- c. fax to KCS' Customer Service Center (CSC) at fax #(800) 874-7088 *
- d. fax via third party services *

If a Bill of Lading (BOL), equipment release, equipment ordering, equipment placement, and all other switching requests are provided to KCS through a means other than, a.) System to System Electronic Data Interchange (EDI); or b.) KCS shipping Instruction tool on the Internet <http://www.kcsouthern.com>, as shown above, a fee of \$75.00 per transaction will be assessed. Charges assessed under this item will be assessed against the waybill party making the request and payable in US funds.

EXCLUSIONS TO TRANSACTION FEE

Shipper(s) who advises KCS 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 KCS of a planned outage by sending an email to KCS.OUTAGE@KCSR.COM

If KCS' Shipping Instructions application on <http://www.kcsouthern.com> is unavailable for thirty (30) consecutive minutes or more, charges will not be assessed to shipper(s) who normally uses this application but is forced to use a manual method during the time of the outage.

- Denotes \$75.00 charge per car

SERVICE CODES AND DEFINITIONS FOR TOFC AND COFC

ITEM 600

- 20 Rail carrier handles freight from the door at origin (consignor loads), to door at destination (consignee unloads), in railroad owned or controlled trailers/containers, or demountable bodies, on railroad owned flat cars.
- 22 Rail carrier handles freight from the door at origin (consignor loads), to carrier's TOFC/COFC terminal at destination, in railroad owned or controlled trailers/containers, or demountable bodies, on railroad-owned flat cars.
- 25 Rail carrier handles freight from carrier's TOFC/COFC Terminal at origin to carrier's TOFC/COFC terminal at destination in railroad owned or controlled trailers/containers, or demountable bodies, on flat cars.
- 27 Rail carrier handles freight from carrier/s TOFC/COFC terminal to door at destination (consignee unloads), in railroad owned or controlled trailers/containers, or demountable bodies on railroad-owned flat cars.
- 60 Rail carrier handles freight from the door at origin (consignor loads), to door at destination (consignee unloads), in shippers own trailers, on railroad owned flat cars.
- 62 Rail carrier handles freight from the door at origin (consignor loads), to carrier's TOFC/COFC terminal at destination, in shippers own trailers, on railroad owned flat cars.
- 65 Rail carrier handles freight from carrier's TOFC/COFC Terminal at origin to carrier's TOFC/COFC terminal at destination, in shippers own trailers, on railroad owned flat cars.
- 67 Rail carrier handles freight from carrier/s TOFC/COFC terminal to door at destination (consignee unloads), in shippers own trailers, on railroad-owned flat cars.
- 80 Rail carrier handles import/export freight from the door at origin (consignor loads), to door at destination (consignee unloads), in shippers own containers, on railroad owned flat cars.
- 82 Rail carrier handles import/export freight from the door at origin (consignor loads), to carrier's TOFC/COFC terminal at destination, in shippers own containers, on railroad-owned flat cars.
- 85 Rail carrier handles import/export freight from carrier's TOFC/COFC Terminal at origin to carrier's TOFC/COFC terminal at destination, in shipper's own containers, on railroad-owned flat cars.
- 87 Rail carrier handles import/export freight from carrier/s TOFC/COFC terminal to door at destination (consignee unloads), in shippers own containers, on railroad-owned flat cars.
- 40 Rail carrier handles domestic freight from the door at origin (consignor loads), to door at destination (consignee unloads), in shippers own containers, on railroad owned flat cars.
- 42 Rail carrier handles domestic freight from the door at origin (consignor loads), to carrier's TOFC/COFC terminal at destination, in shippers own loads), to carrier's TOFC/COFC terminal at destination, in shippers own containers, on railroad-owned flat cars.
- 45 Rail carrier handles domestic freight from carrier's TOFC/COFC Terminal at origin to carrier's TOFC/COFC terminal at destination, in shippers own containers, on railroad owned flat cars.
- 47 Rail carrier handles domestic freight from carrier/s TOFC/COFC terminal to door at destination (consignee unloads), in shippers own containers, on railroad-owned flat cars.

ORIGINATION BILLING

ITEM 620

Should a customer or a representative on behalf of customer generate origination billing data that fails to match the shipment conditions, resulting in rework by KCS, customer or the representative acting on behalf of customer will be charged \$50.00 per car. Should the origination billing data error be repeated on subsequent shipments, customer or the representative acting on behalf of customer will be charged \$100.00 per car for each car which has origination billing data that fails to match the shipments conditions.

U. S. CUSTOMS INSPECTIONS

ITEM 630

Cars inspected by United States customs which require KCS to hold car(s) until proper release order has been given to KCS will be subject to a charge of \$350.00 per car per day and subject to switching and demurrage charges as provided in the applicable tariffs.

DOCUMENT HANDLING CHARGE

ITEM 640

Should a customer or a representative on behalf of customer generate a fax or any electronic message to KCS after having electronically requested, on KCS' web-site, the task of; (i) billing of loaded or unloaded cars; (ii) empty release of car(s); (iii) ordering in loaded or empty car(s); (iv) intra-plant switching of loaded or empty car(s), the customer will be charged \$50.00 per car. Should a fax or any electronic message be sent to KCS on subsequent shipments by the same customer or a representative on behalf of customer covering the aforementioned tasks, the customer will be charged \$100.00 per car for each car which a fax or any electronic message is sent to KCS.

EQUIPMENT TRACING FEE

ITEM 650

Equipment tracing can be accomplished by any party to the waybill or an authorized third party, by the following methods:

- a. KCS' Shipment Tracking tool on the Internet <http://www.kcsouthern.com>
- b. call to KCS' Customer Service Center (CSC) at telephone #(800) 468-6527 *

Prior to KCS providing information to an authorized third party, the party making the request must submit an approved letter of authorization to KCS at:

Kansas City Southern Railway Company
Business Solutions
Fax #: (816) 983-1621
Email: KCSEcommerce@kcsouthern.com

If a tracing request is received by KCS other than by a.) KCS' Shipment Tracking tool on the Internet <http://www.kcsouthern.com>, as shown above, a \$25.00 transaction fee will be assessed under this item for each telephone call received. Charges assessed under this Item will be assessed to a waybill party or the authorized third party placing the call and is payable in U.S. funds.

* Denotes \$25.00 charge per call

Rule 11 Payor of Freight

ITEM 660

In the event the legal entity listed on the waybill, that is responsible for the payment of line haul freight charges on a rule 11 shipment, refuses payment of the invoice received from KCS, KCS will forward the invoice, for payment, to the shipper shown on the waybill. The shipper shown on the waybill will be responsible for the amount of the unpaid invoice, the applicable finance charge and will be assessed an erroneous waybill fee of \$500.00 per car.

WEIGHT LIMITATIONS AND GENERAL DIMENSION

ITEM 680

KCS' Transportation Department must be contacted with a written request to obtain advance authorization for shipments which would not conform to weight limitations and dimension listed below. Requests can be submitted via fax to 800.874-7088, while any questions can be directed via voice at 318.676-6343.

1. Shipments moving on KCS are subject to the following car loading limitations:
 - A. Gross weight of a shipment (railcar plus lading) in a 4 axle railcar varies when on KCS' line. The gross weight on rail (GWOR) limitation for KCS can be found on KCS' Website (www.kcsouthern.com).
 - B. Lading weight must not exceed the stenciled load limit of the railcar.
 - C. Cars or lading must not exceed maximum height of 20 feet 02 inches above tracks.
 - D. Cars or lading must not exceed maximum width of 10 feet 08 inches.

2. Railcars not in conformance with KCS' weight limitations or dimension, which are tendered for shipment without having received prior clearance, may be subject to additional charges for overweight or improperly loaded railcars.

3. All open shipments loaded on flat cars must be inspected and approved by a KCS mechanical inspector prior to shipment.