TEXAS & NEW MEXICO RAILWAY

FREIGHT TARIFF TXN 6001 (NEW)

CHARGES, RULES AND REGULATIONS
ON
FRAC SAND
ON THE
TEXAS & NEW MEXICO RAILWAY, LLC

LOCAL FREIGHT TARIFF

This tariff is also applicable on intrastate traffic, except where expressly provided to the contrary in connection with particular items contained herein.

ISSUED: February 8, 2017                      EFFECTIVE: March 1, 2018

ISSUED BY
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## RULES AND OTHER GOVERNING PROVISIONS

### RULES AND REGULATIONS - GENERAL

**ITEM 10**

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

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

**ITEM 20**

**CONSECUTIVE NUMBERS**

Where consecutive numbers are represented in this tariff by the first and last numbers connected by the word to or a hyphen, they will be understood to include both of the numbers shown. If the first number only bears a reference mark, such reference mark also applies to the last number shown and to all numbers between the first and last numbers.

**ITEM 30**

**METHOD OF CANCELING ITEMS**

As this tariff is supplemented, numbered items with letter suffixes cancel correspondingly numbered items in the original tariff or in a prior supplement. Letter suffixes will be used in alphabetical sequence starting with A.

**EXAMPLE:** Item 10-A cancels Item 10 and Item 10-B cancels Item 10-A in a prior supplement, which in turn canceled Item 10.
ITEM 100

FRAC SAND CAPACITY VOUCHER

Capacity Vouchers or Permits, are a method of controlling traffic movements when, in the judgment of the serving railroad, accumulations, threatened congestion or other interference with operation warrant temporary restrictions against such movements. For movements of Frac Sand on the TXN, the following conditions will apply:

(1) A TXN served terminal, who is the recipient of frac sand shipments, must request a voucher or permit to allow railcars to be scheduled for entry at interchange to TXN.

(2) Vouchers or permits must be requested from TXN via email at (TXNsandPermits@watcocompanies.com), or Sand Permit web tool (https://www.watcocompanies.com/customer-tools/sand-permit-form/).

(3) The decision to grant Vouchers or Permits will be at the sole discretion of the TXN.

(4) The TXN served terminal will be responsible for any and all applicable charges assessed by either the TXN or the railroad which interchange was rejected.

ITEM 110

EXPLANATION OF CHARGES ON RAILCARS INTERCHANGED WITHOUT APPROVED VOUCHER OR PERMIT

(1) A $500 per car penalty will be assessed for railcars accepted at interchange without an approved Voucher or Permit.

(2) Hold charges will be assessed for railcars which did not receive a Voucher or Permit and are unable to be actually placed at the destination terminal, and therefore must be put into constructive placement. Charges are as follows:

(A) Unit Trains will receive a penalty of $6000 for the 1st 12 hours, and $500 per hour or fraction thereof beyond 12 hours. Hourly penalties will be assessed in addition to the per car penalty in ITEM 110 (1). Hourly accruals will begin upon constructive placement and each new hour will begin at the first :01 of every hour until actual placement.

(B) Manifest Cars will receive a penalty of $150 per day or fraction thereof. The day of constructive placement will be counted as day one. Additional days will be accrued at the first 7:01 AM after constructive placement and will accrue until railcars are actually placed.

ITEM 120

FAILURE TO COMPLY WITH VOUCHER SYSTEM

All penalties will be billed directly to the terminal receiving service from TXN. Failure to pay incurred charges may result in the terminal being subject to security deposits per item 30 of the TXN 6000-Series Tariff. Failure to comply with the security deposit may result in an embargo, stopping service to that facility.