

ARKANSAS SOUTHERN RAILROAD COMPANY

FREIGHT TARIFF ARS 7001

NAMING

GENERAL CAR DEMURRAGE RULES AND CHARGES

AND

SWITCHING AND TERMINAL RULES AND CHARGES

APPLYING AT ALL POINTS ON THE

ARKANSAS SOUTHERN RAILROAD COMPANY

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

ISSUED: September 12, 2005

EFFECTIVE: October 9, 2005

ISSUED BY

T. D. Towner, President
Arkansas Southern Railroad Company
315 West Third
Pittsburg, KS 66762

(The provisions published herein, if effective, will not result in an effect on the quality of the human environment.)

FREIGHT TARIFF ARS 7001

<p>RULES AND REGULATIONS - GENERAL</p>	<p>SECTION A</p>
<p>ITEM 000.05</p> <p align="center">REFERENCE TO TARIFFS, ITEMS, NOTES, RULES, ETC.</p> <p>Where reference is made in this tariff to tariffs, items, notes, rules, etc., such references are continuous and include supplements to and successive issues of such tariffs, and reissues of such items, notes, rules, etc.</p>	<p>ITEM 001</p> <p align="center">EXCLUSIONS</p> <p>Demurrage applies on all cars constructively or actually placed on or after the effective date of this tariff, at all stations on the Arkansas Southern Railroad, hereafter referred to as ARS. This publication takes precedence over any other domestic interstate, intrastate, export or import publication, containing rules, regulations and charges on demurrage for the account of the ARS, and will be applied on the basis of a "Demurrage Average Agreement" as defined in Item 004, between ARS and ALL CUSTOMERS.</p> <p>The disposition of a car at its point of detention determines the purpose for which the car is held and the rules applicable thereto.</p> <ol style="list-style-type: none"> 1. Cars for loading or unloading of ARS company material while held on ARS tracks or private sidings connecting therewith. 2. Cars of refused or unclaimed freight to be sold by ARS for the time held beyond legal requirements. 3. Cars of railroad ownership, leased for storage of commodities, for intra-plant or intra-terminal switching service, while held on lessee's tracks and car hire [per diem] is not paid by ARS. 4. Loaded private cars held on private tracks unless under railroad control and made subject to demurrage under the provisions of Item 20. 5. Empty private cars held on private tracks. 6. Cars assigned to shippers returned empty to point of assignment, to the extent storage rules apply. 7. All railroad owned and controlled cars, assigned cars, and privately-owned cars, including idler cars, held for or by freight payors in connection with diversion requests, consignors, consignees, loaders or unloaders, are subject to the rules and charges published herein, EXCEPT the following: Empty cars ordered and rejected as unsuitable for loading within 48 hours following order date or actual placement date.
<p>ITEM 000.10</p> <p align="center">CONSECUTIVE NUMBERS</p> <p>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.</p>	
<p>ITEM 000.15</p> <p align="center">METHOD OF CANCELING ITEMS</p> <p>As this tariff is supplemented, numbered items with lettered suffixes cancel correspondingly numbered items in the original tariff or in a prior supplement. Letter suffixes will be used in alphabetical sequences starting with A. Example: Item 100-A cancels Item 100 and Item 200-B cancels Item 200-A in a prior supplement which in turn cancelled Item 200.</p>	
	<p>ITEM 002</p> <p align="center">DEMURRAGE DEFINITIONS</p> <p>Refer to the demurrage definitions contained in Section D.</p> <p>Demurrage Day is defined as a twenty-four (24) hour period (calendar day), or part thereof, commencing 0701 after tender.</p>
	<p>ITEM 003</p> <p align="center">TENDERING OF CARS</p> <p>Cars held by ARS will be constructively placed on "order date" if the car order is not cancelled prior to the order date or, if placement instructions have not been received by ARS.</p> <p>For applicable charges see item 016.</p>
<p>For explanation of terms and explanation of abbreviations and reference marks, see last page of tariff.</p>	

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SECTION A	SECTION A
<p>ITEM 004</p> <p align="center">DEMURRAGE CHARGES</p> <p>ARS utilizes an average credit/debit demurrage system.</p> <p>A. Chargeable days will be computed at a rate of \$75.00 per car per day.</p> <p>B. Demurrage charges shall be computed in the following manner:</p> <p>C. Customer will be allowed 1 credit day for loading.</p> <p>D. Customer will be allowed 2 credit days for unloading.</p> <p>E. For those customers who load and both unload, credits cannot be intermingled. Credits will only be applied to the month that the charges were accrued.</p> <p>Please see items in Section C.</p>	<p>ITEM 008</p> <p align="center">NOTIFICATION TO CONSIGNOR OR CONSIGNEE</p> <p>ARS will furnish the following notifications as indicated:</p> <p>1. Cars for other than public delivery tracks:</p> <p>a. Notice of constructive placement if car(s) are held on ARS tracks due to reasons attributable to the consignor or consignee.</p> <p>b. Delivery of car(s) upon tracks of consignee will constitute notice.</p> <p>c. When two or more parties, each performing their own switching, take delivery of cars from the same interchange track, notice will be given when cars are placed on the interchange track.</p> <p>2. Cars for public delivery tracks:</p> <p>a. Notice will be given to the party entitled to receive notification when car(s) is actually placed.</p> <p>3. Notification may be given in writing or electronically, and will contain the following</p> <p>a. Car initials and number.</p> <p>b. If lading transferred en route, the initials and number of the original car.</p> <p>c. Commodity.</p>
<p>ITEM 005</p> <p align="center">FREE TIME</p> <p>The customer will be allowed two (2) days for loading and two (2) days for unloading. This will constitute their free time. If the cars are released per Section C within this allotted free time, then no demurrage charges will be assessed.</p>	<p>ITEM 009</p> <p align="center">RELEASING OF CARS BY CUSTOMER</p> <p>Car(s) will be considered released from demurrage charges at date and time instructions are received via fax at (866) 413 – 5160 or through Shipper Connect. If there are any questions call Customer Operation Center at (866) 889 – 2826. Car(s) placed on the interchange tracks of a consignor, who performs its own switching, must be returned to the interchange track for release</p>
<p>ITEM 006</p> <p align="center">COMPUTATION</p> <p>A. Time will be computed from the first 0701 hours after tender until the release.</p> <p>B. When the same car is unloaded and reloaded, time will be computed from the first 0701 hours after advice is received that the car(s) is empty until the car(s) is released.</p> <p>C. When the same car is unloaded and reloaded, empty release information must be furnished. If not furnished, demurrage will continue on the car until the forwarding instructions are received.</p>	<p>ITEM 010</p> <p align="center">OVERLOADED CARS DEFINITION</p> <p>A car will be considered overloaded when the weight of the lading thereof exceeds the maximum carrying capacity (load limit) stenciled on the car.</p>
<p>ITEM 007</p> <p align="center">NOTIFICATION BY CUSTOMER</p> <p>ARS will accept forwarding instructions, empty release information or, other disposition twenty-four hours via Fax number (866) 413-5160, or via Shipper Connect. If any questions or concerns contact the Customer Operations Center at (866) 889-2826.</p> <p>When electronic or mechanical devices are used to furnish notification to ARS, the recorded date and time that the instructions are received will govern.</p>	<p>ITEM 011</p> <p align="center">OVERLOADED CARS AT ORIGIN</p> <p>When a car is overloaded and such fact is discovered at origin station or after departure prior to interchange to other carrier, shipper or owner of the lading will be notified to remove the excess as provided in this tariff. If the car is returned to the industry where loaded, one intra-terminal switch charge will be assessed in addition to a \$500.00 per car penalty. In addition a \$28.00 per day storage fee will be assessed for every day the car remains in an overload status.</p>
<p>For explanation of terms and explanation of abbreviations and reference marks, see last page of tariff.</p>	

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SECTION A	SECTION A
<p>ITEM 012</p> <p align="center">OVERLOADED CARS RECEIVED FROM CONNECTING LINES</p> <p>When a car is received from a connecting line in road haul service, and is discovered to be overloaded, shipper and delivery line will be notified to remove the excess as provided in this tariff. If the overload is discovered at the junction and car is ordered returned the delivering carrier, the applicable inter-terminal switch charge will be assessed in addition to a \$500.00 per car penalty. In addition a \$28.00 per car per day storage fee will be assets for every day the car remains in an overload status.</p>	<p>ITEM 015</p> <p align="center">TURNING CARS</p> <p>A charge of \$125.00 per car in route, \$250.00 per car for out of route movement to turn, will be assessed for the turning of a car at shipper / consignee request.</p>
<p>ITEM 013</p> <p align="center">SPECIAL TRAIN</p> <p>\$2,010.00 Per Request Additional \$315.00 hour, for services over 8 hours. Requests must be received in writing prior to any movements being performed. The ARS will review all requests for special train and will approve or deny depending on railroad availability. (Over-sized/ dimensional loads handled on individual basis)</p>	<p>ITEM 016</p> <p align="center">RECONSIGNMENT OR DIVERSION LOAD OR UNLOADING CARS</p> <p>\$225.00 If car has not reached destination station. \$300.00 If car reached destination station, but has not been spotted. \$375.00 If car reached destination station and has been spotted. Shipper must provide ARS a new Bill of Lading as authority to move car. All charges applies to Load and or Empties</p>
<p>ITEM 014</p> <p align="center">CARS HELD FOR PURPOSES OTHER THAN LOADING AND UNLOADING</p> <p>Applicable to cars held:</p> <p>A. On orders of the loader or unloader. B. While awaiting proper disposition from the loader, unloader or, in connection with diversion request, or the freight payor. C. As a result of conditions attributable to the loader or unloader.</p> <p>Computation: (See item 04 for charges)</p> <p>A. Demurrage will be computed on the following from the first 0701 a.m.:</p> <ol style="list-style-type: none"> 1. After notification of actual or constructive placement until car is released, forwarding instructions are received, or disposition advice is received on: <ol style="list-style-type: none"> a. Cars diverted or reshipped. b. Cars held empty for loading - ordered and not used (other than rejected car). 2. After a car is received by ARS until date and time of disposition on: <ol style="list-style-type: none"> a. Cars received from connecting carriers. b. Loaded private cars returned to railroad tracks. 3. After actual or constructive placement until date and time of refusal on refused loaded car. After notification is given to loader/beneficial owner until date of Disposition on a refused loaded car. 4. After actual placement or car order date, whichever is later, until date and time of rejection, on empty cars rejected as being unsuitable for loading. 5. A hold charge of \$110.00 per car will be assessed against the customer. <p>Note: Exclusion of Holiday (s) applies to the \$110.00 per car charge only and does not extend demurrage free time. Saturdays and Sundays are not excluded.</p>	<p>ITEM 017</p> <p align="center">INTRA-PLANT SWITCHING</p> <p>The ARS will perform intra-plant switching on loaded or empty cars at a charge of \$100.00 per car non-hazardous or \$150.00 per car hazardous (STCC series 28, 29, 48, 49).</p> <p>Intra-plant switching is a switching movement from one track to another track within the same plant or industry, or from one location to another location on the same track within the same plant or industry.</p>
	<p>ITEM 018</p> <p align="center">INTRA-TERMINAL SWITCHING</p> <p>The ARS will perform intra-terminal switching on loaded or empty cars at a charge of \$200.00 per car.</p> <p>Intra-terminal switching is a switching movement (other than intra-plant switching) from one private or assigned track to another private or assigned track of the same railroad, within the switching limits of the same station or industrial switching district.</p>
	<p>ITEM 019</p> <p align="center">SPECIAL SWITCH</p> <p>\$675.00 Per Request Additional \$315.00/hour, for services over 3 hours. A special switch would be defined as the use of ARS personnel or equipment in unscheduled service to the customer. Requests must be received in writing prior to any movements being performed. The ARS will review all requests for special switches and will approve or deny depending on Railroad availability.</p>
	<p>ITEM 020</p> <p align="center">PRIVATE CARS HELD ON RAILROAD TRACKS</p> <p>The demurrage clock starts at the first 0701 A.M. after the car is constructively placed on Railroad track.</p>
<p>For explanation of terms and explanation of abbreviations and reference marks, see last page of tariff.</p>	

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SECTION A	SECTION B
<p>ITEM 021</p> <p style="text-align: center;">PRIVATE CARS HELD ON PRIVATE TRACKS</p> <p>No demurrage charges will be assessed while cars are placed on privately owned tracks.</p>	<p style="text-align: center;">PRIVATE CAR APPLICATION FOR RAILROAD MARKED CARS</p> <p>ARS is aware that shippers, acting as consignors and/or consignees, may sometimes lease railcars from other railroads for shipments that may originate or terminate on ARS. Such railcars normally contain the reporting marks of the lessor railroad. In order to avoid the assessment of demurrage charges by ARS when such railcars are located on private or leased tracks, on ARS rail lines, it is necessary that shippers apply to, and receive the approval of, ARS for the designation of such cars as “private” cars for the purposes of demurrage. ARS reserves the right to assess demurrage charges while cars designated as private are on railroad owned tracks.</p> <p>A. APPLICATION:</p> <p>1. Shippers must submit a written application that is received by ARS not less than thirty (30) days prior to the date that the shipper desires the “private” car designation to take effect. The application must include:</p> <ul style="list-style-type: none"> <input type="checkbox"/> The name of the shipper <input type="checkbox"/> The name of the lessor railroad <input type="checkbox"/> A listing of the reporting marks of the railcars leased by the shipper from the lessor railcar <input type="checkbox"/> The type of railcar <input type="checkbox"/> The length of time requested for the private railcar designation <p>The application must be sent to AORR at the following address:</p> <p style="text-align: center;">ARS c/o Watco Companies, Inc. 315 W. 3rd Street Pittsburg, KS 66762 Attn: Car Hire Department</p> <p>2. Upon the request of ARS, shipper agrees to furnish a copy of the applicable railcar lease to ARS.</p> <p>3. ARS will provide a written reply to each application within thirty (30) days of receipt of the application. Arkansas Southern Railroad, in its sole discretion may accept or reject the application in whole or in part. ARS may accept a smaller number of railcars than requested and/or for a shorter amount of time.</p> <p>B. ACCOUNTABILITY AND CHARGES:</p> <p>1. While the acceptance is in effect, the applicable railcars will not be assessed demurrage by ARS when such railcars are located on private sidetracks that connect with ARS or on ARS tracks that are leased for storage or loading/unloading purposes. ARS reserves the right to assess demurrage charges while cars designated as private are on railroad owned tracks.</p> <p>2. At the end of the period designated by ARS the railcars will return to “railroad” marked status for demurrage purposes. If the shipper wishes to extend the “private” marked status for the railcars, a new application must be received by ARS not later than thirty (30) days prior to the end of the period. ARS may accept or reject the application, as provided herein</p>
<p>ITEM 022</p> <p style="text-align: center;">SETBACK CHARGES FOR CARS HANDLED</p> <p>A charge of \$250.00 per car will be assessed on cars interchanged to ARS due to error on the part of rail carrier making such interchange.</p>	
<p>ITEM 023</p> <p style="text-align: center;">APPLICATION FOR RAILROAD MARKED CARS AS PRIVATES</p> <p>See Section B.</p>	
<p>ITEM 024</p> <p style="text-align: center;">HOLIDAYS</p> <p>One additional credit will be allowed on a car when it has a demurrage day occurring on:</p> <ol style="list-style-type: none"> 1. Thanksgiving Day 2. Christmas Day 3. New Year’s Day 	
<p>ITEM 025</p> <p style="text-align: center;">PRIVATE CAR MILEAGE</p> <p>The ARS is not a party to the 6007 tariff covering private car mileage, therefore does not pay private car mileage.</p>	
<p>ITEM 026</p> <p style="text-align: center;">CLAIMS</p> <p>All disputes on demurrage charges shall be filed in writing via fax (866) 413-5160 or by email to ARS_disputes@watcocompanies.com by the 20th day of the billing month. If no response is received the charges will be considered valid and prompt payment will be expected.</p>	

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SECTION C				SECTION D
Demurrage Application	Car Equipment as Published in: The Official Railway Equipment Register	Credits	Daily Charge	DEFINITIONS DEFINED IN THIS TARIFF
Railroad cars, including "railroad controlled private equipment"	Railroad equipment	Loading: 1	\$75.00	ACTUAL PLACEMENT – When a car(s) is placed in an accessible position for loading or unloading or, at a point designated by the consignor or consignee.
		Unloading: 2	\$75.00	CONSIGNEE – The party to whom a shipment is consigned or the party entitled to receive the shipment.
Empty cars and locomotives moving on own wheels in revenue service (STCC: 37 411 XX 37 422 XX)	Railroad equipment and Industry controlled private railcars	Origin: 2	\$75.00	CONSIGNOR – The party in whose name a car(s) is ordered; or the party who furnishes forwarding directions.
		Destination: 2	\$75.00	CONSTRUCTIVE PLACEMENT – When a car(s) cannot be actually placed due to any condition attributable to the consignor or consignee, including order notifies and in-bond shipments, such car(s) will be held on ARS'S tracks and notice will be provided to the consignor or consignee that the car(s) is held awaiting disposition instructions. Car(s), placed by ARS on private or other than public delivery tracks, including lead tracks serving the consignor or consignee, will be considered constructively placed without notice.
All shipments for other than loading or unloading	Railroad equipment and industry controlled private railcars	Origin/ Destination or Transit: 1	\$75.00	CREDIT – A non-chargeable demurrage day. Credits may be earned when a car(s) is released by the customer and is used to offset chargeable demurrage days. Please refer to Demurrage Day below and Section C.
				DEMURRAGE DAY – A twenty-four (24) hour period (calendar day), or part thereof, commencing 0701 after tender.
				DISPOSITION – Information, including forwarding instructions or release, that allows the railroad to either tender or release the car(s) from the consignor's or consignee's account.
				DIVERSION – An order provided by the consignor instructing that a car(s) be delivered to a location other than the one indicated on the original forwarding instructions.
				EMPTY CAR(S) ORDERED AND NOT USED – Empty car(s), placed for loading as ordered, and subsequently released without being used in transportation service.
				EMPTY RELEASE INFORMATION – Advice provided by the consignee to authorized personnel in writing (verbal release is not acceptable), that the car(s) is unloaded and available. This information must include the identity of the consignee, party furnishing information, and the car(s) initial and number.
				FORWARDING INSTRUCTIONS – Shipping instructions provided at the point of loading that contain all of the necessary information to transport the shipment to its final destination.
				LEASE TRACK – Track(s) assigned to a user through a written agreement. Lease tracks will be treated the same as private tracks.
				LOADING – The complete or partial loading of a car(s) in conformity with loading and clearance rules and, the furnishing of forwarding instructions.
For explanation of terms and explanation of abbreviations and reference marks, see last page of tariff.				

FREIGHT TARIFF ARS 7001

SECTION D	SECTION D														
<p>LOADED CAR(S) – A car(s) that is completely or partially loaded in conformity with loading and clearance rules.</p> <p>NOTIFICATION – When required, written or verbal notification will be furnished to the parties entitled to receive notice that the car(s) is available for loading, unloading, or otherwise impacted by demurrage provisions.</p> <p>ORDER DATE – The date that the consignor requests empty car(s) to be furnished for loading.</p> <p>OTHER THAN PUBLIC DELIVERY TRACK – Any track age assigned for individual use, including privately owned or leased tracks.</p> <p>PARTIAL UNLOADING – The partial unloading of a car(s) and furnishing of the proper forwarding or handling instructions in conformity with loading and clearance rules.</p> <p>PRIVATE CAR(S) – A car(s) bearing other than railroad reporting marks that is not railroad-controlled.</p> <p>PRIVATE TRACK – Tracks that are not owned or leased by the railroad.</p> <p>PUBLIC DELIVERY TRACK that is open to the general public for loading and unloading.</p> <p>RAILROAD-CONTROLLED CAR(S) – A car(s) bearing other than railroad reporting marks that is either leased or controlled by a railroad.</p> <p>RECONSIGNMENT – An order provided by consignor to bill a car(s) to other than the original consignee. (An order to turn over the car(s) to another party that does not require any additional movement of the car (s), is not a reconsignment).</p> <p>REFUSED LOADED CAR(S) – When the original loaded car(s) is refused at destination without being unloaded.</p> <p>RELOADING – When a car(s) is held for loading after being released as an empty.</p> <p>RESHIPMENT – A new document by which the entire original shipment is forwarded in the same car(s) to another destination.</p> <p>SERVING YARD – A classification yard where the local train serving the customer originates.</p> <p>SHIPPER ASSIGNED CAR(S) – Specific empty car(s) assigned to a particular shipper for their exclusive use.</p> <p>STOPPED IN TRANSIT – When a car(s) is held en route due to any condition attributable to the consignor, consignee, or owner.</p> <p>TENDER – The notification, actual or constructive placement, of an empty or loaded car(s).</p> <p>TIME – Local time is applicable and is expressed on the basis of the 24-hour clock. Example: 7:01 AM is expressed as 0701 Hours.</p>	<p>UNLOADING – The complete unloading of a car(s), and the advice received from the consignee that the car(s) is empty and available to the railroad.</p> <p>SHIPPER CONNECT - Online utility that allows users to manage their inventory while online as well as release of empty rail cars. Contact RMI Administrator with questions (866) 889-2826.</p>														
	EXPLANATION OF ABBREVIATIONS AND REFERENCE MARKS														
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">ABBREVIATION OR REFERENCE MARK</th> <th style="width: 50%; text-align: center;">EXPLANATION</th> </tr> </thead> <tbody> <tr> <td>ARS.....</td> <td>Arkansas Southern Railroad Company</td> </tr> <tr> <td>[A].....</td> <td>Addition</td> </tr> <tr> <td>[I].....</td> <td>Increase</td> </tr> <tr> <td>[NC].....</td> <td>No Change</td> </tr> <tr> <td>[R].....</td> <td>Reduction</td> </tr> <tr> <td>\$.....</td> <td>United States dollar or dollars</td> </tr> </tbody> </table>	ABBREVIATION OR REFERENCE MARK	EXPLANATION	ARS.....	Arkansas Southern Railroad Company	[A].....	Addition	[I].....	Increase	[NC].....	No Change	[R].....	Reduction	\$.....	United States dollar or dollars
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