

CSXT 8100 Changes – November 15, 2017

Announcement Date: October 17

Effective Date: November 15

1.3.1 - Car Ordering Rules

Railcars can be ordered only for days a Customer is served by CSXT. Customers should not order more railcars than their facility can accept. To facilitate Customer railcar order planning, CSXT indicates each plant's railcar capacity in the Plant Switch module in ShipCSX.

- Railcar orders can be submitted up to six weeks in advance of the specified order date, and will expire the end of the second Sunday after the order date if not filled
- Customers must renew orders if expired and railcars are still needed for loading
- To increase or decrease a railcar order less than fourteen days before the order date, the Customer must submit a change request via the Car Order screen on SHIPCSX. Decreases in ordered railcars may be subject to charges set out in section 1.3.2.
- CSXT will use commercially reasonable efforts to fulfill a changed railcar order
- No changes to a railcar order can be implemented on the order date or processed for the following day

1.3.2 - Empty Carrier Cars Ordered and Not Used (Previously 1.3.6)

For each Railcar ordered for loading that is cancelled less than seven calendar days prior or up to three calendar days after the order delivery date, Customer shall be subject to a charge of \$300.00 per car.

Railcars refused upon placement without cause, or notification of availability for placement, will be considered cancelled. When an empty railcar has been placed for loading and is subsequently Released to CSXT without cause or being used in revenue service, the service of placing and pulling the empty railcar will be subject to a charge of \$300.00 per railcar. A Railcar cancelled after placement in industry will also be subject to demurrage.

Fees will not be applied to Railcars ordered and rejected due to mechanical faults. Fees will also not be applied to cars ordered and rejected due to the Railcar being dirty, provided that the Customer provides photographs to document the dirty condition of the Railcar.

2.3 - Demurrage and Private Car Storage Apply to Cars Held for Other Purposes

Demurrage or Private Car Storage charges may also apply to railcars held due to other conditions caused by a Customer, including:

- Empty Railcars placed in industry and released empty
- Railcars tendered to a Consignee and ultimately refused by the Consignee
- Railcars held due to being overloaded
- Railcars held while awaiting any change to the Shipping Instructions
- Railcars held short of destination due to Customer's inability to accept delivery

FAQ's

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Q1 – What is changing?

A1 – The following explains each item with the current language as well as the new language.

Car Ordering Rules (1.3.1)

- Railcar orders will now expire on the **second Sunday** after the order week, if not filled.
 - Currently railcar orders expire on the **Sunday of** the order week
- Customers can increase or decrease order amounts on **any open car order via ShipCSX** with the following conditions:
 - *For increases* requested less than fourteen days (currently seven days) before the order date, Car Management approval and acceptance will be required.
 - *For reductions* requested less than seven calendar days prior or up to three calendar days after the order date, a \$300.00 per car cancellation/decrease charge will apply.
 - Requested reductions will be limited to the amount of railcar orders already placed
- Cars placed per railcar orders will be applied to the current day's orders first, with any remaining cars placed applied to the oldest open orders (including prior days).

Empty Carrier Cars Ordered and Not Used (1.3.2 – Previously 1.3.6)

- Customers will be charged \$300.00 per car for cancelling (or decreasing) a railcar order less than seven calendar days prior or up to three calendar days after the order demand date
- We are removing the \$165.00 charge for empty railcars that are available for placement and the order is cancelled and the \$330.00 charge for empty railcars that are placed for loading and released as an empty
 - Railcars refused for placement will be considered cancelled and will be subject to the \$300.00 charge
 - Empty railroad cars that have been placed for loading and are released as an empty will also be subject to the \$300.00 charge as well as demurrage – item 2.3 below
- Cars rejected for dirty or mechanical faults will not be subject to the \$300.00 charge
 - In ShipCSX, when a customer rejects a car dirty, a photo will be required to document the condition of the car. A mechanical reject will require a diagram mark-up to show the location of the mechanical issue. Customers should provide as much detail as possible in the notes on ShipCSX for the reject reason.
 - If a Railcar is rejected dirty and the car has to go to a clean out facility, CSXT will bill the Shipper for the car cleaning charge of \$600.00 per Railcar in Item 1.3.5 (Cleaning Requirements of Carrier Cars)
 - Car Management will be monitoring rejects to ensure that customer rejects are for valid reasons

Demurrage and Private Car Storage Apply to Cars Held for Other Purposes (2.3)

- We have added "Empty Railcars placed in industry and released empty" as a condition caused by a Customer to which Demurrage or Private Car Storage charges will apply. This is for clarification purposes only, as we already bill demurrage for empty railcars placed in a customer's industry and released empty.
- These cars do not receive any free time and are charged standard rates of \$105/day for Railroad equipment and \$60/day for Private equipment.

Q2 – Why is CSXT making these changes?

A2 – We have provided the extended order expiration in response to customer feedback. Our goal is to fulfill our customers' requested car orders and ensure effective asset utilization. Accurate and timely customer car orders allow us to plan in advance where our assets will be directed to fulfill a customer's car orders.

Q3 – How often will bills be issued?

A3 - The billing for these new charges will be weekly. There will be one bill for the car orders reduced or cancelled and a separate bill for empty cars ordered and not used (both \$300.00 per car). Customer disputes should follow the normal process of filing with supporting documentation via ShipCSX.

Q4 - What can customers do to avoid these cancellation/reduction charges?

A4 – Proactive management of railcar orders via ShipCSX is the most effective means of avoiding these charges. As Customers plan their car orders in ShipCSX, the ShipCSX Car Order tool will highlight the days where the cancellation/reduction charge will apply (less than seven calendar days prior or up to three calendar days after the order demand date). If it is not necessary to reduce a car order during the highlighted timeframe, customers may reduce/cancel car orders that fall outside of that timeframe free of charge.

Q5 – Who should I contact if I have questions about these changes?

A5 – First, contact your Sales Manager. You can also email your questions to CSXT8100Questions@CSX.com