

The Maryland and Delaware Railroad Company

FREIGHT TARIFF MDDE 6001

(For Cancellation, see Item 5, this Tariff)

DEMURRAGE REGULATIONS AND CHARGES

APPLYING AT AND BETWEEN STATIONS ON
THE MARYLAND AND DELAWARE RAILROAD COMPANY

(AAR Accounting Rule 260 code number 454)

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

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ISSUED BY

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ITEM 5

NEW TARIFF

FT MDDE 6001 is a new MDDE demurrage tariff. This Tariff does not affect any other MDDE tariffs including Tariff MDDE 8000-Series.

This Tariff includes changes that may be considered increases in rates and charges, and changes in service terms.

ITEM 10

EXPLANATION OF ABBREVIATIONS AND REFERENCE MARKS

MDDE – The Maryland and Delaware Railroad Company

NS – Norfolk Southern Corporation

AAR – Association of American Railroads

ITEM 15

DEFINITIONS

ACTUAL PLACEMENT – Actual placement is made when a railcar is placed in position for loading or unloading on a customer track, leased track, team track, transload track or other point previously designated by the customer. Railcars placed on customer tracks, leased tracks, team tracks or transload tracks at the request of the customer will be considered actually placed without further notification.

ASSIGNMENT – A transfer of rights to another that gives the recipient—the assignee—the rights that the owner or holder—the assignor—had prior to the transfer.

ASSIGNOR – The party who has assigned property or a task, duty, responsibility or shipment.

ASSIGNEE – The party to whom property or a task, duty, responsibility or shipment has been assigned.

CLOSED GATE – A facility where the customer orders in railcars specifically by railcar initial and number, or where track capacity is insufficient to hold all arriving railcars.

CONSIGNEE – The party to whom a shipment is consigned and/or the party entitled to receive the shipment.

CONSIGNOR – The party in whose name railcars are ordered (directed) and/or the party who furnishes MDDE forwarding directions.

CONSTRUCTIVE PLACEMENT – When a railcar consigned or ordered (directed) to a customer track, leased track, team track or transload track cannot be actually placed on the track to which it was ordered (directed) because of a condition attributable to the customer, such a railcar will be held at an available hold point as determined by MDDE, and notification shall be sent or given to the customer that the railcar is being held and that MDDE is unable to effect actual placement.

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CONTINUOUS MOVEMENT – A movement between MDDE's tracks and the customer track, leased track, team track or transload track, or other place where railcars are received or delivered without any delay or any suspension or break in time or continuity of the movement, or any interruption, or interference, due to any circumstances or condition for which the customer is directly responsible.

The operations named below in (I) and (II), where performed by MDDE as necessary incidents to the placement and removal of railcars moving at published carload rates, shall not be deemed:

1. To break the "continuous movements";
2. To be in excess of the Ordinary Operating Convenience" of MDDE;
3. To be an "interruption or interference" caused by the customer";
4. To be a "circumstance or condition for which the customer is directly responsible" as those terms are used in this Tariff.

I. The removal and replacement of railcars empty, partly loaded or fully loaded when incidental to the placement or removal of other railcars; and/or

II. Operations performed in providing a service for which a separate charge is authorized in this or any other MDDE tariff.

CUSTOMER – The person or entity (shipper, receiver, consignor, consignee or agent) responsible for freight shipments in railcars handled by MDDE, and for payment of any applicable charges named herein. Specifically with respect to demurrage charges, "customer" shall mean any person or entity receiving railcars from MDDE for loading or unloading.

CUSTOMER TRACK – A track outside of MDDE's owned or operated right-of-way, and owned or leased by a customer where MDDE does not own either the rails, ties, roadbed or right-of-way. Two or more parties may use the track jointly when the customer, prior to such joint use, has furnished written notification to MDDE.

DISPOSITION – Information, including forwarding instructions or release, which allows the release of a railcar from the customer to MDDE.

FIRST PLACEMENT – When railcars are first placed for loading, unloading or storage upon customer tracks, leased tracks, team tracks or transload tracks.

FORWARDING INSTRUCTIONS – A bill of lading or other suitable order, given to MDDE and containing all of the necessary information to transport the shipment to its destination, which authorizes:

1. The immediate delivery of a railcar to a connecting line for further movement; or
2. The immediate forwarding of a railcar to a consignee at another location at the same station or to a consignee at another destination on the MDDE.

HAZARDOUS MATERIALS – A substance or material that poses an unreasonable risk to health, safety, and property when transported in commerce, and has designated as hazardous under section 5103 of Federal hazardous materials transportation law (49 U.S.C. 5103). The term includes hazardous substances, hazardous wastes, marine pollutants, elevated temperature materials, materials designated as hazardous in the Hazardous Materials Table (see 49 CFR 172.101), and materials that meet the defining

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criteria for hazard classes and divisions in 49 CFR 173.

HOLD POINT – An NS, MDDE, customer track, leased track, team track or transload track on which a railcar is held prior to first placement to the customer.

INTRA-PLANT SWITCHING – A switching movement from one customer track to another customer track within the same customer plant or facility.

INTRA-STATION SWITCHING – A switching movement (other than intra-plant) from one customer track, lease track, team track or transload track to another customer track, lease track, team track or transload track within the limits of a single rail station served by MDDE as defined in **Tariff MDDE 8000 Item 135**, the terms of which are incorporated by reference herein.

LEASED TRACK – Any trackage located on property that is owned or operated by MDDE, and is leased to a customer under a written agreement.

LOADED RAILCAR – A railcar that is completely or partially loaded.

LOADING – The complete, or partial, loading, of a railcar within the confines of the same customer plant or facility, or on the same customer track, lease track, team track or transload track. Loading must be completed in conformity with AAR loading and clearance rules including the furnishing of forwarding instruction.

LOCAL SWITCHING – A switching movement from a location within one rail station served by MDDE to a location within a different rail station served by MDDE as defined by **Tariff MDDE 8000 Item 135**.

NOTIFICATION – Message given to the parties entitled to receive notification in accordance with the means outlined by **Tariff MDDE 8000 Item 155**, the terms of which are incorporated by reference herein, that a railcar is available for placement, loading, unloading, or is now otherwise affected by demurrage rules.

OPEN GATE – A customer for whom all railcars can be placed on arrival without regard to railcar initial and number or other placement instructions.

ORDINARY OPERATING CONVENIENCE – The time selected by MDDE when it is most advantageous to MDDE in relation to its coordinated and harmonious switching activities in a particular station. Ordinarily it constitutes only one (1) switch per day except when additional switches are made by MDDE in its own interest, as distinguished from the customer's individual interest. Movements to, from or within a customer track, lease track, team track or transload track at other times at the request of the customer or to meet the requirements of the customer's industrial operations are not at MDDE's ordinary operating convenience.

PLASTIC – Commodities designated with the federal shipping code (that is, STCC code) series 28211, which includes, but not by way of limitation, plastic pellets or resins.

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PRIVATE RAILCAR – Any railcar not bearing railroad reporting marks and not controlled by a railroad.

PROTECTIVE SERVICE – Monitoring a railcar with operating refrigeration or heating unit to ensure that the refrigeration or heating unit is properly functioning.

RAILROAD-CONTROLLED RAILCAR – Any railcar bearing railroad or TTX reporting marks.

RECONSIGNMENT – A change in the name of the consignor, consignee and/or change in delivery to a customer track, lease track, team track or transload track on MDDE.

RELOAD – Process that occurs when a shipment must be transferred from one railcar to another.

SPECIAL FREIGHT TRAIN OR SWITCHING SERVICE – Special Freight Train Service or Switching Service is the movement of a train in other than normal freight train or switching service.

SWITCHING – The movement of railcars from one track to another track or changing the order or relative position of railcars on a track.

TEAM TRACK – Any track located on property that is owned or operated by MDDE, and is designated by MDDE as open to customers and the general public for loading or unloading of railcars under written agreement.

TIME – Local time in the State of Maryland, USA, as expressed in units of a 24-hour clock.

TIME RETURN & DELAY REPORT – Report required under 49 CFR 228 that records the arrival, departure and duration of all stops made by a train.

TRANSLOAD – Process that occurs when a shipment must be transferred from one mode of transportation to another (i.e. from a truck to railcar).

TRANSLOAD TRACK – Any track located on property that is owned or operated by MDDE, and that is used by customers to transload product to or from railcars under written agreement.

UNLOADING – The complete unloading and notification from the customer that a railcar is empty, suitable for reloading and release, and available to MDDE for pickup.

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ITEM 20 HOLIDAYS

Whenever a reference is made to "holidays" it shall mean only the days listed below:

New Year's Day
President's Day
Good Friday
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Day after Thanksgiving
Christmas Eve Day
Christmas Day

DEMURRAGE RULES AND REGULATIONS

ITEM 105 DEMURRAGE REGULATIONS

Demurrage is a fee charged for the extended use of railroad-controlled railcars. These fees are intended to ensure that railcars are loaded, unloaded, and released quickly, so that they can be made available for the next shipment and so that the tracks can remain fluid to handle traffic. Demurrage applies to railroad controlled railcars that have been delivered to a customer and are waiting to be loaded or unloaded.

ITEM 110 DEMURRAGE START AND STOP TIMES

Following actual or constructive placement, whichever comes first:

1. Demurrage charges applicable to a railcar will start upon the expiration of "Free time" as explained in **Item 115** of this Tariff; and
2. Demurrage charges will stop when MDDE has received notification in accordance with the provisions of **Tariff MDDE 8000 Item 155** that the railcar is released loaded or empty (whichever applies to the situation) by the customer, and is available for pickup by MDDE.

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ITEM 115

FREE TIME

Free time for each railcar will be:

 Loading – 1 Day (24 hours)

 Unloading – 2 Days (48 hours)

If a railcar is placed between 0001 and 0700, free time begins at 0001 on the same day the railcar is placed (i.e. the day of placement is the first free time day).

If a railcar is placed after 0700, free time begins the first 0001 after the railcar is placed (i.e. the day following placement is the first free time day).

If free time begins on or encompasses either Saturday, Sunday, or Holidays those days will not be counted for the calculation of the duration of free time.

ITEM 120

STANDARD DEMURRAGE CHARGES

Following the expiration of free time, demurrage charges on railroad controlled railcars will accrue as follows:

Day 1 – Day 4 = \$30 per railcar per day

Day 5 and forward = \$60 per railcar per day

Demurrage charges will not be pro-rated, so fractional charges will result in an entire day being charged.

Applicable charges will accrue on all Saturdays, Sundays and Holidays following the day charges begin to accrue.

ITEM 125

OTHER THAN TEAM TRACKS

On railcars loading or unloading on other than a team track, time shall be computed in accordance with **Item 110** and **Item 115** of this Tariff.

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ITEM 130

TEAM TRACKS

On railcars loading or unloading on a team track, time shall be computed in accordance with **Item 110** and **Item 115** of this Tariff, as adjusted under **Note 130A**.

Note 130A – When delivery of railcars to a team track cannot be made on account of more railcars on hand than such tracks will accommodate, such railcars can be held at an available hold point and time computed from the first 0001 after notice of constructive placement is sent or given to the customer, provided one or more of such customer's railcars are placed or offered for placement each time the team track is switched. The provisions of this note are not applicable if, prior to the first 0001, exclusive of Saturdays, Sundays, or Holidays, after constructive notice is sent or given, the customer requests delivery at a different team track where space is available. In such case the alternate delivery shall be made.

ITEM 140

TERMS OF PAYMENT

Payment for demurrage charges is due within fifteen (15) days of customer's receipt of an invoice from MDDE. Interest equivalent to the lesser of twelve (12%) per year, or the maximum allowable rate under Maryland law, will be assess for late payment, calculated from the date payment is due through the date payment is received, and based on a year of 360 days.