

BNSF Automotive Rules & Policies Guide





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To All BNSF Automotive Customers,

Enclosed is an updated *BNSF Automotive Rules and Policies Guide (R&PG)*, which becomes effective September 30, 2006. The *R&PG* major changes are noted below, in addition to the changes noted in the May 2006 Amendment Letter. The *BNSF Automotive Rules and Policies Guide* is the official document governing all motor vehicle shipments on BNSF.

Minor modifications have occurred throughout the *R&PG*. The *BNSF Automotive Rules and Policies Guide* is posted on the bnsf.com website, under Markets, Automotive, References (or the link is http://www.bnsf.com/markets/automotive/automotive_rules_and_policies_guide). The web is our official source for the *R&PG*.

Outlined below are descriptions of some of the new changes. Please review the *R&PG* for complete details.

Item 36: Truck In / Truck Out – clarified terms.

Item 42: Storage Free Time and Charges – updated the storage applications.

Item 47: Vehicle Claims and Filing Procedures – modified disclosure of interline claims settlement.

Contacts – updated with recent BNSF 1-888-428-2673 changes.

If you have any questions about the *BNSF Automotive Rules and Policies Guide*, please contact your BNSF Marketing or Customer Support Representative at 1-888-428-2673.

Thank you,

Marc Allen
AVP Automotive

BNSF AUTOMOTIVE RULES AND POLICIES GUIDE

Effective: September 30, 2006

[November 2006 - Updated phone numbers](#)

Issued by BNSF Railway Company.

This BNSF Automotive Rules and Policies Guide (R&PG) replaces the August 31, 2005 BNSF Automotive Rules and Policies Guide for motor vehicle shipments.

This R&PG is available on the www.bnsf.com web site under Markets, Automotive, References (or <http://www.bnsf.com/markets/automotive/index.html>).

Any changes to this R&PG will be noted on the web site.

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GENERAL RULES

ITEM 1: RULES AND POLICIES GUIDE APPLICATION

TRANSPORTATION IN MULTI-LEVEL SERVICE

The *BNSF Automotive Rules and Policies Guide* governs the transportation of new and used motor vehicles in multi-level non-articulated or articulated railcars for motor vehicle service by intrastate, interstate and foreign commerce. This document specifies rules governing motor vehicle transportation on the BNSF Railway Company (referred to as BNSF) or transportation provided by BNSF as part of a continuous automotive movement and is subject to modification or cancellation at any time. (For personally owned vehicles, see Item 38: Personally Owned Vehicle Shipments.)

The *BNSF Automotive Rules and Policies Guide* in combination with a specific BNSF price authority (refer to Item 5: Price Authorities Application) constitutes an offer by BNSF to provide certain exempt transportation services. When tendering a motor vehicle shipment, the shipper warrants it has authority to enter into this transportation agreement and agrees to be bound by the terms of the *BNSF Automotive Rules and Policies Guide*. The receiver who accepts this shipment also agrees to be bound by the terms of the *BNSF Automotive Rules and Policies Guide*. (See Item 2: Complete Offer.)

The effective price authority states the specific service locations (facilities) offered in accordance with the *BNSF Automotive Rules and Policies Guide*.

Combinations of BNSF price authorities may not be used. (See Item 5: Price Authorities Application.)

The shipper must arrange for the transportation of motor vehicles beyond BNSF's rail lines (network), and BNSF is not party to any portion of such arrangements. The interchange of railcars between BNSF and another railroad may only be made at normal (BNSF carload) rail interchange points, unless provided for in the price authority.

Any specific provisions or exemptions take precedence over general provisions or exemptions, unless otherwise stated.

TRANSPORTATION IN INTERMODAL SERVICE

Motor vehicles or other related automotive commodities moving in Intermodal (trailer and container) service are governed by the *BNSF Intermodal Rules and Policies Guide*, which can be found on the web at [bnsf.com](http://www.bnsf.com), under Markets, Intermodal, References (or <http://www.bnsf.com/markets/intermodal/references.html>).

TRANSPORTATION IN BOXCARS

Automotive parts or related commodities moving in boxcars are governed by the *BNSF Rules Book 6100 and 6200 Series*, which can be found on the web at [bnsf.com](http://www.bnsf.com), under Customer Tools, Prices, Price Publications, Miscellaneous Prices (or <http://newdomino.bnsf.com/website/prices.nsf/PriceRpt?Open&mp>).

ITEM 2: COMPLETE OFFER

The complete offer to a shipper consists of this *BNSF Automotive Rules and Policies Guide* and the price authority in effect at the time complete shipping instructions are given to BNSF. The complete offer must be accepted without change unless modified by an exception contained in one of the following:

- Special price quotation.
- Separate written multi-party agreement signed by a BNSF Marketing or Pricing Representative.

Any notation on the shipping instructions directing transportation by BNSF that is inconsistent with or attempts to change the terms of this offer will be interpreted as a notation made for the private benefit and information of a person or party other than BNSF, will not be a part of this offer, and will not be binding on BNSF.

(For explanation of price quotation or multiparty agreements, see Item 5: Price Authorities Application. See requirements for the shipping instructions in Item 17: Shipping Instructions.)

ITEM 3: COMPLETE OFFER ACCEPTANCE – MOVEMENT INITIATION

The acceptance of an offer for a motor vehicle shipment is outlined below.

If BNSF is the origin carrier and the shipper's facility is the origin, acceptance of the offer begins when the railcar is supplied to the shipper and the shipper furnishes complete shipping instructions to BNSF.

For motor vehicles tendered directly to a BNSF Automotive facility (vehicles not tendered to BNSF on a railcar), the transportation agreement and offer of acceptance begins when BNSF accepts the motor vehicles accompanied by complete shipping instructions.

If BNSF is not the origin carrier, acceptance of the offer begins when BNSF receives the loaded railcar in interchange.

The transportation agreement must be confirmed by sending BNSF complete shipping instructions (via EDI or BNSF's Internet Shipping Instructions). (See Item 17: Shipping Instructions.)

ITEM 4: EQUIPMENT AVAILABILITY

A BNSF offer to transport a motor vehicle shipment is subject to availability of appropriate equipment, which will be determined by BNSF at the time a shipment is requested or received by BNSF.

ITEM 5: PRICE AUTHORITIES APPLICATION

PRICE AUTHORITY DEFINITION

A BNSF price authority states a rate or set of rates for a particular motor vehicle shipment (an individual vehicle or a railcar containing vehicles). These rates may be transmitted to the shipper by printed copy, electronic facsimile (fax), electronic data interchange (EDI), or Internet (posted on the www.bnsf.com web site).

A BNSF price authority applies only for the stated origin and destination locations named in the price authority.

Transportation beyond any locations named in the price authority is not the responsibility of BNSF.

Combinations of BNSF price authorities may not be used.

A price authority does not constitute shipping instructions. The price authority states certain rates, whereas a shipping instruction allows a

shipper to tender a motor vehicle shipment to BNSF utilizing a price authority. (See Item 17: Shipping Instructions.)

The shipper is responsible for determining the correct price authority and rate at the time the motor vehicle shipment is tendered. The shipper must furnish the correct price authority on the shipping instructions. The applicable rate is based on the price authority in effect and stated on the shipping instructions when the motor vehicle shipment is tendered to BNSF. The price authority, stated on the shipping instructions when the shipment is tendered to BNSF, determines the rate (freight charge) and other applicable charges that are invoiced and due. (See Item 17: Shipping Instructions and Item 18: Shipping Instruction Changes.)

The stated price authority may not be changed after a motor vehicle shipment has been tendered to BNSF.

Failure of the shipper to furnish the correct price authority will not relieve the shipper from its obligation to pay charges based upon the price authority in effect and on the shipping instructions when the shipment is tendered to BNSF.

(See Items in the Credit and Collections chapter and Item 1: Rules and Policies Guide Application.)

PRICE AUTHORITY TYPES

Described below are types of price authorities – Special Price Quotation, Multi-party, Direct or Interline.

1. Special Price Quotation

A special rate that is negotiated for a specific motor vehicle or railcar shipment of motor vehicles, based on certain factors such as shipper, commodity, volume, and equipment, and issued by a BNSF Marketing or Pricing Representative. Any special price quotations will be immediately confirmed in writing. In the event of disagreement concerning an oral quotation, the written confirmation will take precedence.

2. Multi-party Agreements

A contractual arrangement between any or all of these parties (BNSF, shipper, or shipper's agents) established by a BNSF Marketing or Pricing Representative. Only the prices or price authorities that are attached or refer a multi-party agreement will apply. Multi-party agreements include all transportation and price contracts, and tri-party agreements.

3. Direct or Interline

Price authorities (special price quotations or multi-party agreements) state if the rates can be used for direct (BNSF only) or interline (BNSF in conjunction with another railroad) transportation.

Interline price authority rates are either joint-line or Rule 11.

a. Joint-line (through rate)

A joint-line price authority is one price authority that applies to the entire movement from rail origin to rail destination on two or more railroads. The price authority indicates the interline route with the applicable carriers, and the rate includes all interchange charges unless otherwise noted.

Send the shipping instructions only to the origin carrier, who will forward the shipping instructions to the other carriers in the route.

For shipments moving to Mexico where a through joint-line rate has not been established, the shipper will be assessed a \$200 per railcar charge to switch the railcar across the border for re-shipment, in addition to other applicable charges, unless the furnished shipping instructions indicate Rule 11.

b. Rule 11

A Rule 11 price authority or rate allows shipments to be interchanged from one railroad to another using each carrier's specific price authority. Thus, the shipper combines each railroad's price authority to create an interline movement.

Shipping instructions for Rule 11 shipments must be sent only to the origin carrier. The origin carrier forwards all shipping information to the other carriers in the route. "Rule 11" must be indicated on the original shipping instructions along with each price authority for the rail carriers involved in the movement. Even though all price authorities are stated only on the origin railroad's shipping instructions, each railroad will invoice the shipper separately.

For interline shipments, Rule 11 can only be used if the price authority specifically states Rule 11 is applicable. If a Rule 11 notation is not on the price authority and another rate has not been provided, the rate assessed will be a Rule

11 rate from price authority BNSFQ 111123, which is on the Internet at www.bnsf.com. Please contact your Marketing Representative for details on this price authority.

c. Haulage or other

Other interline arrangements such as Voluntary Coordination Agreements (VCAs), haulage agreements, or trackage rights (alliances) are methods to market and price on other railroads. These agreements typically show a "BNSF" route.

PRICE AUTHORITY MODIFICATIONS

Unless a price authority specifically states that a rate or other term cannot be changed, BNSF reserves the right to modify any price authority at any time regardless of expiration date shown on the price authority. Each price authority is effective until expired, cancelled, or reissued by a BNSF Marketing or Pricing person. In addition, BNSF reserves the right to adjust rates when the other carrier increases their portion of associated joint-line rates.

If a shipment is misidentified, BNSF has the right to revoke the price authority and/or the BNSF transportation contract for that shipper. (See Item 19: Shipment Misidentification).

These price authority modification conditions apply to all price authorities (including multi-party agreements).

(See Item 21: Service Modification.)

ITEM 6: APPLICABLE INDUSTRY PUBLICATIONS

The following publications (or successors) also govern transportation services subject to the *BNSF Automotive Rules and Policies Guide* in effect at the time BNSF's receives the motor vehicle.

UNIFORM FREIGHT CLASSIFICATION: 6000 SERIES

This publication provides commodity descriptions, general packaging requirements, and contract terms and conditions for a Uniform Bill of Lading.

Publisher: American Short Line and Regional Railroad Association for the National Railroad Freight Committee.

OFFICIAL OPEN PREPAY STATIONS LIST: OPSL 6000 SERIES

This publication identifies stations (such as automotive facilities) and operations. It also contains shipping instructions, station numbers, and freight station accounting code numbers.

Publisher: RAILINC.

STANDARD TRANSPORTATION COMMODITY CODE: STCC 6001

This publication contains commodity descriptions, including hazardous and explosive commodities.

Publisher: RAILINC.

AAR MANUAL OF STANDARDS AND RECOMMENDED PRACTICES, SECTION N

This publication covers approved practices for loading/unloading vehicles, operations and securement of vehicles in the railcars, standard vehicle inspection forms, and railcar and equipment standards and specifications for the transportation of vehicles.

Publisher: RAILINC.

ITEM 7: BNSF REJECTION RIGHTS

BNSF reserves the right to reject any motor vehicle shipment not complying with the *BNSF Automotive Rules and Policies Guide*, applicable industry publications, or Department of Transportation requirements. However, failure of BNSF to reject a shipment for non-compliance does not constitute a waiver of the *BNSF Automotive Rules and Policies Guide* requirements and will not make BNSF responsible for loss, damage, or injury resulting from non-compliance. The shipper retains full responsibility for non-compliance.

ITEM 8: GOVERNING LAW AND JURISDICTION

The offer and the transportation agreement and contract are interpreted according to Texas State laws.

ITEM 9: LAWS AND REGULATIONS COMPLIANCE

BNSF may elect to take whatever action it deems reasonable to resolve the situation if a shipment at any point during transit:

- Is deemed unsafe, illegal, or prohibited.

- Does not meet BNSF, federal, state, or local laws and regulations (including, but not limited to, vehicle size, and securement).

However, BNSF is not under any obligation to take action. The shipper and receiver remain jointly and severally liable for all expenses, costs, fines, penalties, and damages (including, but not limited to, property and equipment) due to the shipper's failure to properly tender the shipment in accordance with applicable laws and regulations governing freight transportation.

THE SHIPPER WILL DEFEND AND INDEMNIFY BNSF FROM ALL FINES, ATTORNEY'S FEES AND COSTS ARISING FROM THE FAILURE TO CONFORM TO APPLICABLE LAWS, REGARDLESS OF THE NEGLIGENCE OR ALLEGED NEGLIGENCE OF BNSF IN DETECTING THE NON-CONFORMANCE. BNSF IS NOT RESPONSIBLE FOR ANY FINES, ATTORNEY'S FEES OR COSTS ARISING FROM FAILURE OF BNSF TO DETECT SHIPPER NON-CONFORMANCE TO APPLICABLE LAWS. The shipper will, at its expense, accept BNSF's defense in any claim, action, or suit arising from the shipper's failure of conforming to applicable laws and regulations.

ITEM 10: ARBITRATION

If a dispute arises regarding terms of the transportation agreement and contract, interpretation, application, or enforcement, any party may provide written notification to the appropriate parties indicating the dispute should proceed to arbitration. Written notice should include, but is not limited to, the issues(s) to be arbitrated and the issues, claims, or relief sought.

If the dispute cannot be resolved within thirty (30) days after notification, the dispute will be referred to an arbitrator (or arbitrator panel) and decided according to the rules and procedures of the American Arbitration Association (AAA). The decisions of the arbitrator (or panel) are final and binding on all parties involved in the dispute. The decision and award of the arbitrator will be rendered within thirty (30) days after the close of the arbitration proceeding.

Arbitration is not an option for any of the following circumstances:

- Inquiring the validity or propriety of rate levels in any price authority.
- Claims involving lading loss, damage, or delay.

The arbitrator cannot modify or void any provisions of the transportation agreement and contract.

The expenses, fees, and costs of the arbitration are to be divided equally among all parties involved. However, each party will pay its own attorney fees.

Judgment may be entered on the findings and/or awarded by the arbitrators in any court in the State of Texas. Each party expressly consents to this type of judgment.

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CREDIT AND COLLECTIONS

ITEM 11: CREDIT AND COLLECTIONS

BNSF's requirements regarding credit and collections are stated below.

BNSF CREDIT

1. Credit must be established and approved by the BNSF Credit Department at 1-817-352-4194 or utilize the www.bnsf.com web site at http://www.bnsf.com/prospective/credit_application.html.
2. Without established credit, all motor vehicle shipments must be paid for on a cash basis (with a cashier's check, cashier's check, or wire transfer) in advance of service. For shipments paid on a cash basis, the motor vehicles will be held at the automotive facility or interchange point (for shipments received in interchange) until payment is received. The shipper will be responsible for storage charges, which will apply while the vehicle is detained at a BNSF Automotive facility. Storage charges will begin after the shipper receives notice. (See Item 42: Storage Free Time and Charges.)
3. All payments (including, but not limited to, freight charges, accessorial service charges, surcharges, and other applicable charges) must be paid in U.S. funds by the shipper in accordance with BNSF credit terms or individual contract terms. Charges for accessorial services will be assessed to the shipper.
(See Item 5: Price Authorities Application, Item 13: Fuel and Other Surcharges, Item 14: Accessorial Services and Charges, and Item 15: Special Assessments.)
4. BNSF reserves the right, at its sole discretion, to cancel credit and to require payment in advance of service. BNSF reserves the right, at its sole discretion, to change the credit terms, including, but not limited to, the right to increase requirements for a security deposit, letter of credit, or other form of security arrangement.

BNSF COLLECTION

1. Payments for freight and other invoiced charges must be made by Electronic Funds Transfer (EFT) or Automated Clearing House (ACH). The shipper will authorize BNSF to originate electronic debit entries to the shipper's checking account and will authorize the bank to debit the amount of such entries from the shipper's account fifteen (15) days after BNSF's freight bill date.
If the shipper is on a cash basis (paid by cashier's check, certified check, or by wire transfer) payment must be received before or at the time the shipment is tendered to BNSF. A shipment tendered on a cash basis will be held by BNSF until payment is received. Send the payment to BNSF Accounting Revenue Management, 176 East Fifth Street, St. Paul, MN, 55101.
2. In the event of an invoice error, a balance due bill or refund will be issued. Filing for invoice errors (overcharges or refunds) must be made within two (2) years of the shipment's movement or waybill date.
3. If the shipper's bank dishonors any electronic funds transfer submitted by BNSF, the shipper will be given written notice and the price authorities utilized may be terminated.
4. In the event a shipper is delinquent on any outstanding BNSF payments or charges, unless under dispute, BNSF reserves the right to withhold and/or deduct any refunds and/or incentive payments due to the shipper. Payments not made to BNSF within the applicable payment terms are considered delinquent. (See Item 12: Invoiced Disputes.)
5. In the event the shipper fails to pay any undisputed invoiced charges within the credit period and fails to provide adequate documentation to dispute the charges within the credit terms, BNSF will apply a finance charge on all delinquent invoices. The finance charge will be the highest rate allowed by law. (See Item 12: Invoice Disputes.)

6. If filing a lading (freight) or equipment claim, all outstanding payments or charges are due according to standard payment terms. If applicable, any reimbursement of payments will be handled in the claims process. (See Item 47: Vehicle Claims and Filing Procedures.)
7. In the event litigation becomes necessary to collect unpaid freight and other invoiced charges, the shipper will also be responsible for all charges associated with the litigation, including, but not limited to, court costs, expenses, and attorney's fees.
8. BNSF will not make a claim for payment of freight and other charges incurred against any beneficial owner utilizing the shipper's services where the beneficial owner has made payment for such charges to the shipper. If the beneficial owner has not made payment for such services to the shipper and the shipper has not made payment for such services to BNSF within thirty (30) days of the provision of such services, then the shipper grants BNSF the right to collect such charges directly from the beneficial owner and off-set any amounts collected against the sums owed the BNSF. The granting of the right to pursue the collection of sums owed BNSF will not, in any way, discharge or modify the shipper's obligations.
9. The shipper and BNSF agree that in the event an order for relief is entered or an involuntary bankruptcy petition is filed against shipper under the United States Bankruptcy Code, to the extent that payments due from beneficial owners for transportation services provided have not been made before the date of such filing, the shipper grants BNSF the right to collect such payments directly from the beneficial owners and off-set such amount against the sums owed BNSF by the shipper.
10. With respect to any BNSF claim against shipper, the shipper grants BNSF a right to offset against any and all of the shipper's property in the possession or control of BNSF, including, but not limited to, any refunds or deposits held by BNSF. The right of offsetting granted in this section will be effective only with respect to any liquidated amount that remains unpaid more than thirty (30) days after such amount becomes due

and payable. It is further expressly understood that this section is in addition to and does not displace any legal rights to which BNSF may be entitled.

ITEM 12: INVOICE DISPUTES

A shipper contending an erroneous charge shall pay the amount the shipper believes is correct and provide a written explanation attached to the invoice. Return the invoice and corrections to the stated address within the BNSF credit period or applicable contract terms. Finance charges will apply on non-disputed delinquent invoices. (See Item 11: Credit and Collections and Item 42: Storage Free Time and Charges.)

The shipper is responsible for determining the correct price authority and rate when tendering the shipment to BNSF. The shipper must furnish the correct price authority on the shipping instructions. The price authority, stated on the shipping instructions when the shipment is tendered to BNSF, determines the freight charge and any applicable charges that are invoiced and due. The price authority (and associated rate) cannot be changed after the shipment is tendered to BNSF. (See Item 5: Price Authorities Application.)

The shipper and receiver liability for price authority charges is joint and several by tendering the shipment and accepting delivery.

ITEM 13: FUEL AND OTHER SURCHARGES

FUEL SURCHARGES

All transportation services of motor vehicle shipments provided by BNSF will be subject to any fuel cost recovery surcharge implemented by BNSF or imposed on BNSF, regardless of price authority, contract, or agreement (including all multi-party agreements, transportation contracts, and other agreements).

During times that a fuel surcharge is levied, the fuel surcharge charge (percentage or dollar amount) can be viewed on the bnsf.com web site or obtained from a BNSF Marketing Representative.

OTHER SURCHARGES

In addition, BNSF may, regardless of price authority, contract, or agreement (including all multi-party agreements, transportation contracts, and other agreements), apply other types of

surcharges on all transportation services and shipments provided by BNSF.

For information regarding other surcharges, please contact a BNSF Marketing Representative.

ITEM 14: ACCESSORIAL SERVICES AND CHARGES

Accessorial charges may include, but are not limited to, load, unload, storage, shipping instruction changes, and inspection. The shipper should refer to applicable Items for stated charges or contact a BNSF Representative for any other accessorial service charges. The applicable charges are those in effect on the date the charges are incurred.

If the shipper requests and submits a BNSF authorization form for accessorial services, BNSF will make a diligent effort to execute the request.

The shipper is responsible for any applicable accessorial charges and associated federal, state and local taxes, surcharges, or charges, regardless of BNSF obtaining an authorization.

(See Item 11: Credit and Collections, and a summary of some charges in Appendix A: Charges and Amounts.)

ITEM 15: SPECIAL ASSESSMENTS

All transportation services and motor vehicle shipments will be subject to any special assessments or surcharges implemented by BNSF or levied on BNSF, regardless of price authority type, contract, or agreement (including all multi-party agreements, and transportation contracts, and other agreements).

In addition, BNSF may require the shipper to pay any costs, expenses, charges, fees, taxes, tolls, duties, levies, usage fees, access fees, surcharges, and special charges assessed to BNSF on applicable shipments that are imposed by, but are not limited to, any port authority, federal, state, local, or governmental agency.

ITEM 16: STRIKE PROVISIONS

A request for relief from charges due to a strike by the shipper's agents or employees, or by BNSF, agents or employees must be made in writing within fifteen (15) days of the strike's end. BNSF has sole discretion to grant or deny any or all relief from such charges.

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SHIPPING INSTRUCTIONS

ITEM 17: SHIPPING INSTRUCTIONS

Proper shipping instructions are necessary for BNSF to provide the correct transportation services and to invoice the appropriate rate.

SHIPPING INSTRUCTIONS INFORMATION

All motor vehicle shipments must be tendered with complete shipping instructions (via EDI or BNSF's Internet Shipping Instructions). (For electronic interchange information, the eBusiness site is available at <http://www.bnsf.com/prospective/transactions.html>.)

Shipping instructions must be received prior to BNSF moving the motor vehicle shipment. (See Item 3: Complete Offer Acceptance.)

When the shipper loads motor vehicles into a railcar, all motor vehicles in a railcar must be billed on one (1) shipping instruction.

Motor vehicle shipments arriving at BNSF facilities with incomplete, missing, or incorrect shipping instructions may be held at origin and/or destination until complete and correct shipping instructions are provided to BNSF. Storage charges will be assessed at origin and/or destination for shipments that are delayed while shipping instructions are completed or corrected. (See Item 42: Storage Free Time and Charges.)

If BNSF receives motor vehicles and does not receive applicable shipping instructions, the shipper will be assessed \$100 per day per vehicle, in addition to storage and other applicable charges.

BNSF will not be responsible for delay or related costs, if the manufacturer fails to provide the haul-away carrier on the shipping instructions. To change or add a haul-away carrier after receipt of the automotive shipment, the charge for shipping instructions changes will apply. (See Item 18: Shipping Instruction Changes.)

Shipping instructions are kept for a limited time. The shipping instructions will be deleted if the associated shipment has not been tendered within eight (8) days. After this time, new shipping instructions must be sent to BNSF before tendering the shipment.

Any notation on the shipping instructions directing transportation by BNSF that is inconsistent with or attempts to change the terms of the complete offer (see Item 3: Complete Offer) will be interpreted as a notation made for the private benefit and information of a person or

party other than BNSF and will not be a part of the offer.

The price authority stated on the shipping instructions cannot be changed after BNSF receives the shipment. (See Item 5: Price Authorities Application.)

To change shipping instructions, see Item 18: Shipping Instructions Changes. Shipments may be subject to charges when changing shipping instructions, depending upon the changes made and associated status of the shipment.

For any motor vehicle shipment misidentified or tendered without the proper information or conditions, the shipper can incur additional charges. (See Item 19: Shipment Misidentification.)

REQUIRED SHIPPING INSTRUCTIONS ELEMENTS

The shipping instructions are considered complete only when all the required elements stated below are provided to BNSF (via EDI or BNSF's Internet Shipping Instructions).

1. Railcar Equipment

- Railcar initial and number, if loaded at shipper's facility or an interline shipment

2. Commodity

- Vehicle Identification Number (VIN) for each motor vehicle
- Actual commodity description (proper shipping name)
- Actual Standard Transportation Commodity Code (STCC)
- Dealer codes, if applicable

3. Movement Information

- Origin automotive facility
- Destination automotive facility
- Actual origin
- Actual destination
- Shipper
- Receiver
- Haul-away carrier, if applicable
- Route (use the exact route shown on the price authority)
- Care of party
- Notify party
- If interline or Rule 11:
 - Final notify party
 - Final notify phone number

- Rule 11 (specify yes or no) (see Item 5: Price Authorities Application)
 - If yes: Specify all other railroads' price authorities
- In-bond: (specify yes or no)
 - If yes: specify railroad or shipper's bond
 - If railroad bond: T&E Manifest Information (See Item 25: Rail Carrier Bond)
- Dollar value (stated in U.S. funds if moving in-bond)
- Border notify party
- U.S. port of entry
- Port of export
- Carrier transporting goods
- If shipment is moving in-bond using a Customs form 7512:
 - Entry number
 - Class of entry
 - Name and address receiving 7512 form.

4. Price/Invoice

- Price authority (document name). (See Item 5: Price Authorities Application.)
The price authority stated on the shipping instructions cannot be changed after the motor vehicle or railcar has been received by BNSF.
- Freight charges payer
- Prepaid or collect

5. Shipments to or from Mexico or Canada

Providing all of the following information for Canadian and Mexican traffic allows BNSF to forward accurate information. In addition, send a complete set of customs documents to the connecting carrier to prevent delays. (See Item 24: Mexico and Canada Service.)

- Customs broker name (provide in the special instructions field)
- Customs broker phone number (provide in the special instructions field)
- Actual shipper's name
- Actual shipper's address
- Actual shipper's city
- Actual shipper's state/province
- Actual shipper's postal code
- Actual receiver's name
- Actual receiver's address
- Actual receiver's city
- Actual receiver's state/province
- Actual receiver's postal code
- Actual importer's name (purchaser of goods)
- Actual importer's address (purchaser of goods)
- Actual importer's city
- Actual importer's state/province
- Piece count (quantity) (must be in the comment field)
- Route (complete route)
- Weight (total weight and unit of measure)
- Seal number
- Actual commodity description (proper shipping name)
- Actual STCC

ITEM 18: SHIPPING INSTRUCTIONS CHANGES

PRIOR TO TENDERING MOTOR VEHICLES TO BNSF

Prior to receiving a railcar loaded with motor vehicles or individual motor vehicles tendered to BNSF, changes to shipping instructions are allowed at no charge when sent via EDI or BNSF's Internet shipping instructions application.

BNSF does not verify or compare information prior to receiving (having) the motor vehicles tendered to BNSF. The shipping instructions used for transporting and invoicing the motor vehicle shipments will be the shipping instructions that are accepted and processed within BNSF's transportation system at the time the shipment is tendered to BNSF.

If incorrect information provided on the shipping instructions causes BNSF to make corrections, a \$50 charge will be assessed the shipper, in addition to other charges related to Shipping Instructions Changes, and other applicable charges.

CHANGES AFTER TENDERING MOTOR VEHICLES TO BNSF

Only one shipping instruction change may be made per shipment. BNSF will make a reasonable effort to execute the request, but is not responsible if the requested change cannot be made.

Submit shipping instruction changes via EDI, the secured BNSF Internet Shipping Instructions Modification web site, or call Shipping Instructions Diversions at 1-888-428-2673.

Once the vehicles are loaded on the railcar, if shipping instructions elements are requested to be changed and it is determined a change can be accomplished, a \$100 charge per shipment will be assessed the shipper for changing the shipping instructions, in addition to any other

applicable changes related to shipping instruction changes, rate differentials, and other applicable charges.

Applicable changes include, but are not limited to, the shipper, receiver, weight, shipping instructions cancellation, destination, haul-away carrier, and route.

Changing or correcting the destination on the shipping instructions is not practical once the vehicle(s) has been loaded to a railcar or the railcar is in transit. If it is determined that a change to the destination can be accomplished, then the charge will be \$150 per shipment (per railcar charge when the railcar is loaded with same shipper's vehicles or per vehicle charge when there are mixed shippers on one railcar with a maximum charge of \$450), plus the \$50 for changing the shipping instructions, any applicable rate differential, and other applicable charges.

Any change must still be valid for the price authority indicated on the shipping instructions when the shipment was tendered to BNSF.

No changes will be allowed on in-bond shipments without prior approval from a BNSF Automotive Customer Support Representative.

ITEM 19: SHIPMENT MISIDENTIFICATION

The shipper is responsible for providing complete and accurate information as stated within this *BNSF Automotive Rules and Policies Guide*.

Misidentifications constitute any motor vehicle shipment information provided to BNSF that is erroneous or incomplete. Shipment misidentifications include improperly describing information deemed necessary throughout this *BNSF Automotive Rules and Policies Guide*, including, but not limited to, shipping instructions and information, commodity descriptions, shipment information, shipper, or price authority. The shipper will be assessed \$500 for a misidentified shipment, in addition to other applicable charges. BNSF has the right to inspect shipments to ensure shipping instructions accuracy and proper securement, but it is not required to perform such inspections. (See the Railcar Equipment and Vehicle Specification Chapters.)

If a misidentified shipment occurs, BNSF has the right to revoke the price authority and/or the BNSF transportation contract for that shipper. (See 5: Price Authorities Application.)

(In addition, and see Item 17: Shipping Instructions.)

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SERVICE

ITEM 20: SERVICE AND FORCE MAJEURE

SERVICE

Automotive schedules can be found on the [bnsf.com](http://www.bnsf.com/markets/automotive/index.html) web site, under Markets, Automotive (or <http://www.bnsf.com/markets/automotive/index.html>). Service schedules are subject to change without notification. BNSF will not be liable for failure to perform transportation services and such services are not guaranteed.

FORCE MAJEURE

BNSF will be excused from any obligation to perform transportation services when performance is prevented or delayed, in whole or in part, by an act of God, fire, hail, hurricane, tornado, high wind, flood, earthquake, other severe weather or climatic conditions, civil or military authority, war, riot, epidemic, strike or other labor disturbance, public enemy action, vandalism, commodity's inherent vice, sabotage, shortage of diesel fuel, embargo or AAR service order, wreck, derailment, BNSF and/or shipper equipment, facilities, or mechanical breakdown, or any other catastrophic influence, laws, shipper's act or default, equipment design or condition that is not furnished by BNSF, or any occurrence that takes place when BNSF is not in actual possession of the vehicle.

(See Item 4: Equipment Availability, Item 9: Laws and Regulations Compliance, and Item 21: Service Modification.)

ITEM 21: SERVICE MODIFICATION

BNSF is not obligated to continue ownership, maintenance or operation of any rail line, or automotive facility and reserves the right to modify or discontinue any service or service offering, regardless of price authority type (including contractual agreements and interline agreements). (See Item 5: Price Authorities Application.) In such instances, BNSF will provide as much notice as is reasonably possible to minimize the impact of necessary changes.

BNSF shall not be liable for any increased transportation costs, expenses, or consequential, special, or incidental damages that may result

from such disposition, modification, or discontinuation of any service or service offering.

ITEM 22: RAIL STOP-OFFS (INTERMEDIATE STOPS)

All motor vehicle shipments are delivered only to the location or facilities stated on the price authority.

Intermediate or rail stop-offs are not permitted for motor vehicle shipments. Rail stop-offs are requests to detain a shipment and/or unload a vehicle at any point between the origin and destination automotive facilities indicated on the price authority or the shipping instructions.

(See Item 42: Storage Free Time and Charges, and Item 43: Shipper Responsibilities.)

ITEM 23: EMBARGO

An embargo is a temporary measure to control shipments that threaten operations and warrants restrictions of such movements. The embargo is an order that prohibits further movement of, including, but not limited to, specific shippers, commodities, or equipment.

Once shippers are notified of an embargo, any motor vehicle shipment in question cannot be tendered to BNSF and is prohibited on BNSF until the embargo is lifted.

Failure to adhere to the embargo status or advise BNSF of any shipment in BNSF's custody or control will result in the shipper being assessed \$50,000 per shipment, in addition to other applicable charges, expenses, and costs.

Failure to comply with an embargo places all aspects of liability with the shipper. The shipper is liable for any incident and all associated costs and expenses resulting from tendering an embargoed shipment including, but not limited to, distressed loads, derailments, loss of life, injury, destruction and contamination of property, equipment, lading, and structures, remediation, restoration, and train and terminal operations.

ITEM 24: MEXICO OR CANADA SERVICE

GENERAL REQUIREMENTS

Automotive shipments originating or terminating in Mexico or Canada must adhere to the respective countries Customs' requirements and governmental regulations, in conjunction with applicable United States Customs, border, and other regulations.

Specific shipping instructions requirements for motor vehicle shipments crossing the border are stated in Item 5: Price Authorities Application, Item 17: Shipping Instructions, and Item 24: Mexico or Canada Service.

The shipper is responsible for any charges, costs, expenses, duties, taxes, and fees that are associated with a shipment's clearance at the border and Customs' inspections or examinations. In addition, the shipper is responsible for any charges resulting from the shipment being delayed, detained, moved and stored at the border, an examination facility, or a BNSF facility.

For Northbound shipments moving from Mexico, the shipper is responsible for hiring an U.S. Customs broker. Additional information on service can be found on the Mexi-modal (http://www.bnsf.com/business/mexico/meximodal/html/MEXI_Contact_List.html) or Mexico (<http://www.bnsf.com/business/mexico/index.html?newwin=true>) web sites.

DOCUMENT DELAY ON EXPORT TRAFFIC TO MEXICO

Unless otherwise provided, motor vehicle shipments moving from the United States to Mexico via any Texas-Mexico border crossing points are subject to the following provisions.

1. Document Delay Free Time and Charges

- a. Seventy-two (72) hours free time will be allowed for the completion of all documentation required for the legal exportation from the United States and for importation of a shipment into Mexico.
- b. Free time will be computed from the first 12:01 a.m. after "Despacho Previo" notification. "Despacho Previo" is a Mexican Customs' program to pre-document exports from the United States into Mexico prior to the interchange of railcars to a Mexican railroad. Sundays and holidays will be excluded in the computation of free time.

- c. Following the expiration of document delay free time, a document delay charge will be assessed the shipper until the car is released for entry into Mexico. The document delay charge will be \$50 per car per day (or fraction thereof) for the first three days. Thereafter, the document delay charge will be \$100 per car per day (or fraction thereof) in addition to other applicable charges.
- d. Sundays and holidays occurring after the expiration of the document delay free time will be chargeable days.
- e. Contact the Managers of Border Operations and T&E Bond Approval Desk by calling 1-915-534-2362 (Mexico) and 1-308-763-2273 (Canada) for any questions.

2. Notification and Release

- a. "Despacho Previo" notification will be sent or given by the BNSF to the shipper, or party designated by the shipper, after the railcar enters the BNSF computer system by means of the shipping instructions (including receipt of an interline waybill from a connecting rail carrier).
- b. Railcars will be considered to be "released" for entry into Mexico when all of the following requirements have been met:
 - Any document delay charges have been paid to BNSF.
 - All requirements to export the shipment from the United States to Mexico have been met, and the required documents are furnished to the BNSF.
 - All requirements to import the shipments into Mexico have been met and proof furnished to the BNSF.
 - The Mexican rail carrier has received the shipping instructions.

3. Holidays

The following United States and Mexican holidays will be recognized as holidays in the computation of document delay free time:

New Year's Day (Jan. 1)
 Constitution Day (Feb. 5)
 Birthday of Benito Juarez (Mar. 21)
 Good Friday (Friday before Easter Sunday)
 Labor Day (May 1)

Independence Day (Sep. 16)
Anniversary of Mexican Revolution (Nov. 20)
Christmas Day (Dec. 25).

ITEM 25: RAIL CARRIER BOND

MOVEMENT UNDER T&E BOND (TYPE 62)

The shipper may use BNSF's carrier bond for shipments moving under a "transportation and exportation" (T&E) manifest entry under the following conditions.

1. Entering by Rail

BNSF's bond can be used for shipments entering the United States by rail from either Mexico or Canada and then exiting the United States by rail.

Shipments that transit the United States between Canada and Mexico and both enter and exit the United States on a railcar move under an electronic T&E or V-bond. An electronic (paperless) V-bond is created within the U.S. Customs Automated Manifest System (AMS) system, which is for Customs clearance of rail shipments crossing the borders. Additional information on the AMS can be found on the Customs web site at http://www.cbp.gov/xp/cgov/import/operations_support/automated_systems/ams/rail_features.xml, on the BNSF Mexico (<http://www.bnsf.com/business/mexico/index.html>), or the Mexi-modal (<http://www.bnsf.com/business/mexico/html/modal.html>) web sites.

No charge will be assessed when using an AMS-generated electronic (paperless) T&E bond for the shipment moving on BNSF.

2. Moving from a Seaport

BNSF's bond can be used for Mexico or Canada bound shipments that are loaded at a seaport, shipped on BNSF, and then exit the U.S. by rail.

In order to request use of BNSF's bond, contact the T&E Bond Approval Desk_s by calling 1-915-534-2362 ([Mexico](#)) and 1-308-763-2273 ([Canada](#)). Complete and fax the T&E form (number 7512) to 1-915-534-2300 ([Mexico](#)) and 1-308-763-2554 ([Canada](#)) for BNSF approval and signature. A BNSF bond may be requested; however, BNSF is not obligated to authorize use of the bond. Upon approval, the form will be returned to the shipper. The shipper is responsible for

obtaining Custom's signature and forwarding the form to the appropriate Custom's office at the export location.

The shipping instructions must indicate that the shipment is moving under a T&E bond and state the T&E bond number. If the equipment, T&E number, and bond status are missing on the shipping instructions, the shipper will be assessed a \$200 charge per shipment and other applicable charges. (See Item 5: Price Authorities Application and Item 17: Shipping Instructions.)

The shipper will be assessed a \$200 charge per shipment to use a BNSF approved paper T&E (form 7512) bond, in addition to applicable charges.

GENERAL BOND CONDITIONS

The shipper will be assessed a \$10,000 charge per shipment for inappropriate use of BNSF's bond, in addition to all other applicable charges, damages, expenses, or costs incurred.

THE SHIPPER GUARANTEES PAYMENT AND AGREES TO INDEMNIFY BNSF FROM AND AGAINST ALL LOSS AND LIABILITY FOR CUSTOMS DUTIES, TAXES, AND ANY OTHER REVENUE LOSS DUE TO ASSESSMENT UNDER THE STATUTES, RULES, OR REGULATIONS OF THE UNITED STATES CUSTOMS SERVICE AND INTERNAL REVENUE SERVICE. THIS APPLIES AFTER DELIVERY BY BNSF TO THE RECEIVER OR ITS DESIGNATED AGENT ON IN-BOND SHIPMENTS RESULTING, IN WHOLE OR IN PART, FROM ANY FAILURE BY THE SHIPPER OR ITS DESIGNATED AGENTS TO COMPLY WITH RULES OR REGULATIONS, INCLUDING, BUT NOT LIMITED TO, SHORTAGES, IRREGULAR DELIVERY OR NON-DELIVERY OF IN-BOND SHIPMENTS MOVING UNDER THIS *AUTOMOTIVE RULES AND POLICIES GUIDE*, REGARDLESS OF NEGLIGENCE OR ALLEGED NEGLIGENCE OF BNSF.

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RAILCAR EQUIPMENT

ITEM 26: RAILCAR SPECIFICATIONS AND STANDARDS

BNSF will not provide concessions, payments, or movements for any railcars that do not meet the specifications and standards addressed in this Item, unless special arrangements are made with BNSF Marketing Representative prior to tendering the railcar to BNSF.

GENERAL REQUIREMENTS

Railcars must comply with the stated requirements.

1. The railcar must be fully enclosed, suitable design and construction to handle motor vehicles and to preserve and protect the equipment during transportation. In addition, the railcar must be suitable for standard loading and unloading processes.

See the AAR Manual of Standards and Recommended Practices for motor vehicles specifications as well as load and unload procedures for railcars. (See Item 6: Applicable Industry Publications.)

2. The height of railcar, including auto-racks, must not be more than 19 feet 6 inches (19'6"). The maximum length BNSF can accept is 89 feet (89') for non-articulated railcars. Railcars that do not meet these clearance standards must have the approval of BNSF Automotive Marketing Representative before tendering the equipment to BNSF.
3. The railcar, including auto-racks and other apparatus on the railcar, must meet the AAR specifications and safety regulations.
In addition, all AAR equipment must be registered in UMLER.
4. Any railcar or equipment that does not meet AAR or BNSF specifications must be approved by an Automotive Marketing Representative before BNSF will accept (receive) the equipment.
The BNSF Mechanical, Clearance, and Automotive Equipment Departments must approve non-conventional auto-racks or

specialty railcar or equipment used to transport motor vehicles, including, but not limited to, articulated railcars, aluminum railcars, Auto-Max, and Q2Trucked, before tendering the railcar to BNSF. If BNSF agrees to handle the non-conventional equipment, special arrangements and a price authority must be made.

Articulated railcars cannot be interchanged (tendered) to BNSF.

5. When the shipper fails to properly load and unload the railcar, the shipper will be liable for any associated costs, expenses, and charges of damage to the vehicle(s) or the railcar that resulted from improper loading. (See Item 32: Vehicle Loading by Shipper and Item 33: Vehicle Unloading by Shipper.)
6. BNSF has the right to inspect the shipment, but it is not required to perform such inspections. BNSF reserves the right to reject a railcar. (See Item 43: Shipper Responsibility.)
7. The equipment must adhere to the specifications or requirements defined in the Equipment Chapter and other Items in this *BNSF Automotive Rules and Policies Guide*.

ITEM 27: RAILCAR ORDERS

To order a railcar for transportation of motor vehicles on BNSF, railcars must be ordered two (2) weeks in advance by using BNSF's secured Automotive Forecast Tool. It can be found in the secured applications on <http://www.bnsf.com/>.

Once railcar orders have been placed, the shipper has the ability to adjust the forecast on a daily basis.

BNSF has the right to furnish any type or size of equipment that meets the car order. (See Item 4: Equipment Availability.)

ITEM 28: MAXIMUM RAILCAR WEIGHT AND OVERWEIGHT HANDLING

MAXIMUM VEHICLE WEIGHT

The shipper will ensure the weight of the motor vehicles loaded on the railcar conform to government or regulatory safety and weight limitations. BNSF may, but is not required to, weigh any shipment.

The maximum gross weight that BNSF can accept or deliver per railcar is 40,000 pounds per deck on bi-level railcars and 24,000 pounds per deck on tri-level railcar. Maximum gross weight consists of the total vehicle weight (including tying down, chocks, and other securement methods) multiplied by the number of motor vehicles (including tie-downs, chocks, and other securement methods) in the shipment. BNSF's weight requirements apply to all shipments, including railcars received in interchange.

If an overweight shipment is discovered upon arrival at a BNSF Automotive facility, the shipment will be rejected. If an overweight shipment is discovered or suspected after arrival at a facility, the shipper will be notified to address the overweight issues.

OVERWEIGHT CHARGES

A shipper who tenders an overweight shipment will arrange for and incur all costs of adjusting the shipment's weight, and will be responsible for all applicable storage charges and other applicable charges.

The shipper will be responsible for storage charges, which will apply while the shipment is detained at a BNSF facility. Storage charges will begin after the shipper receives notice of the overweight condition. No storage free time is provided for overweight shipments. (See Item 42: Storage Free Time and Charges.)

BNSF is not responsible for any fines (including, but not limited to, federal, state, and municipal), inspections, clean up, leaks, securement, transloading, vehicle damage, storage, loading, unloading, additional transportation charges, or other expenses incurred due to weight non-compliance.

ITEM 29: PROHIBITED RAILCAR EQUIPMENT

PROHIBITED SHIPMENTS

Under no circumstance will the shipper tender or BNSF knowingly accept the following prohibited railcar shipments:

- Railcars, for movement of motor vehicles, not fully enclosed or missing panels.

PROHIBITED LIABILITY

The prohibited equipment previously described will not be accepted by BNSF. The shipper shall be liable for all damages arising directly or indirectly from failure to adhere to all prohibited equipment provisions. The shipper shall be liable for any incident and all associated costs resulting from tendering prohibited equipment including, but not limited to, distressed loads, derailments, loss of life, injury, destruction and contamination of property, equipment, lading, and structures, remediation, restoration, and train and terminal operations.

The shipper agrees to indemnify and hold BNSF harmless for any damages, injury, death, or claims arising out of the shipper's failure to comply with the requirements of this Item. The shipper holds BNSF harmless for any or all acts of negligence if the provisions are not followed.

All costs and expenses to address prohibited items will be assessed the shipper.

(See Item 26: Railcar Specifications and Standards and Item 30: Vehicle Specifications and Standards.)

VEHICLE SPECIFICATIONS

ITEM 30: VEHICLE SPECIFICATIONS AND STANDARDS

GENERAL REQUIREMENTS

Motor vehicles tendered to BNSF must meet the following requirements.

1. The vehicle must be a suitable design and construction for safe movement and service on railcars, streets, and highways. The vehicle must be moveable on its own accord, including, but not limited to, have a live battery, contain gas, include keys (doors cannot be locked), must start, possess inflated tires, etc. All costs, expenses, and administrative fees to address or deal with such issues will be assessed to the shipper. (See Items in the Vehicle Specifications Chapter.)
2. The vehicle must meet governmental safety regulations and licensing requirements in the jurisdictions of vehicle operation.
3. The motor vehicle must meet the requirements of the Department of Transportation 49 CFR 173.220. Motor vehicles are not subject to any of the hazardous material regulations when transported by rail (shipping papers, labeling, marking, placarding, or emergency information) as long as the motor vehicles' fuel tanks are securely closed per 49 CFR 173.220 (b) (4)(i). The motor vehicle battery per 49 CFR 173.220 (c) must be installed and a wet battery must be fastened in an upright position. The battery must be protected against short circuits and leakage, or removed and packaged separately under 49 CFR 173.159.
4. Before BNSF will accept the motor vehicle, an Automotive Marketing Representative must approve any vehicle that does not meet the general requirements stated in this Vehicle Specifications Chapter. Contact a BNSF Automotive Marketing Representative for motor vehicle specifications.

ITEM 31: VEHICLE INSPECTIONS

The shipper should inspect motor vehicles prior to tendering to BNSF.

Motor vehicles that enter or are stored at a BNSF Automotive facility must be for movement on BNSF. (See Item 36: Truck In / Truck Out and Items in the Haul-away Chapter.)

Motor vehicles may be inspected at origin or destination facilities. However, BNSF is not responsible if such inspections do not occur.

BNSF retains the right, without obligation, to inspect motor vehicles tendered to BNSF or while the vehicle is in BNSF's possession. This inspection also applies if the motor vehicles are tendered to BNSF in a railcar. This inspection by BNSF is to ensure the vehicle complies with safety requirements, shipping instructions, and other issues addressed in this *BNSF Automotive Rules and Policies Guide*. Failure of BNSF to inspect a vehicle shall not make BNSF responsible for any loss or damage that might have been discovered by such inspection and does not release the shipper from complying with all terms in this *BNSF Automotive Rules and Policies Guide*.

The haul-away carrier picking up (obtaining) the vehicle must inspect the motor vehicle prior to departing a BNSF Automotive facility. (See Item 39: Vehicles Departing the Facility.)

Upon inspection, if the haul-away finds vehicle damage, the following conditions must be met. Severity vehicle damage levels are defined in the AAR Manual of Standards and Recommended Practices.

- Severity 1 and 2 damages must be documented on the load sheet prior to the vehicle departing the facility.
- Severity 3 damage or greater must be reported by the haul-away carrier prior to moving the vehicle from the bay or load line.
- Damages must be reported to the BNSF Automotive Facility Management and must be documented in BNSF's system before the vehicle departs the facility. The failure of the haul-away carrier to document and report damages prior to departure relieves BNSF of any damage claims. No supplemental or exception reporting will be permitted after the vehicle departs the facility.

In addition, BNSF is not responsible for any non-transportation related damages.

Inspections will be sub-coded to differentiate transportation related from other exception conditions. The shipper will be liable for exceptions, which are not transportation related.

(See Item 43: Shipper Responsibilities and the Liability / Claims Chapter.)

ITEM 32: VEHICLE LOADING BY SHIPPER

The shipper is responsible for proper loading methods when the origin is at the shipper's facility or plant, including securement and any resulting damage to the motor vehicles or railcar.

Loading and railcar specifications can be referenced in the AAR Manual of Standards and Recommended Practices (Item 6: Applicable Industry Publications).

Contact BNSF Load and Ride Solutions concerning proper loading techniques. (See Appendix B: Contacts.)

If the shipper misloads a motor vehicle, the shipper will be responsible for transloading cost, set out costs, per diem, loss and damage, and any other associated expenses incurred.

The shipper must attach seals on the railcar doors as applicable. It is the shipper's responsibility to protect the safety and integrity of the motor vehicles, including, but not limited to, the application of security-type seals to the railcar for prevention of unauthorized access to the lading. The presence of a broken seal or missing seal alone does not deem the motor vehicles to be damaged. The shipper is responsible for providing documented evidence that each railcar is properly protected with security seals when tendered to BNSF.

When BNSF provides a railcar, the shipper is responsible for inspecting and determining if the railcar is suitable to protect and preserve the motor vehicles during transit. If railcar problems are found, the shipper should not load motor vehicles into a railcar and should contact BNSF Automotive Facility Management. BNSF will not be liable for loss or damage to lading caused by defects in a railcar that the shipper inspection could have discovered prior to loading.

(See the Railcar Equipment Chapter.)

ITEM 33: VEHICLE UNLOADING BY SHIPPER

The shipper is responsible for unloading the motor vehicles (lading) without damaging the railcar at the shipper's facility or plant according to AAR standards and specifications. (See Item

6: Applicable Industry Publications.) Unless otherwise stated on the price authority, the receiver must completely unload the railcar, with the exception of chocking and securement hardware. Any special equipment must be returned to the railcar in its proper place. If the receiver fails to comply with these requirements, BNSF can reject the railcar. (See the Railcar Equipment Chapter.)

If the shipper misloads a motor vehicle, the shipper is responsible for transloading cost, set out cost, per diem, loss and damage, and any other associated expenses incurred.

BNSF reserves the right to reject the railcar and assess storage charges until the railcar is returned. (See Item 42: Storage Free Time and Charges).

ITEM 34: OVERSIZED VEHICLES

An oversized vehicle consists of the lading (including blocking and bracing) that exceeds the length, width, and/or height of any railcar.

Special arrangements must be made and approved prior to tendering the shipment to BNSF. Please contact your BNSF Automotive Marketing Representative for information on handling these shipments.

ITEM 35: PROHIBITED VEHICLES

PROHIBITED SHIPMENTS

Under no circumstance will the shipper tender or BNSF knowingly accept the following prohibited shipments:

- Motor vehicles that are not drivable, including, but not limited to, a dead battery, out of (or low on) gas or fuel, no keys (locked doors), dead engine, flat tires, etc. Motor vehicles must be drivable in order to be parked at the facility, and to be loaded and unloaded onto the railcars.
- Motor vehicles must not contain any personal items or belongings including, but not limited to, electronic equipment, valuables, plants, live pets, suitcases, alcohol, drugs or firearms.

PROHIBITED LIABILITY

The prohibited vehicles described above will not be accepted by BNSF. The shipper shall be liable for all damages arising directly or indirectly from failure to adhere to all prohibited vehicle provisions. The shipper shall be liable for any

incident and all associated costs resulting from tendering prohibited equipment including, but not limited to, distressed loads, derailments, loss of life, injury, destruction and contamination of property, equipment, lading, and structures, remediation, restoration, and train and terminal operations.

The shipper agrees to indemnify and hold BNSF harmless for any damages, injury, death, or claims arising out of shipper's failure to comply with the requirements of this Item. The shipper holds BNSF harmless for any or all acts of negligence if the provisions are not followed.

All costs and expenses to address prohibited issues will be assessed the shipper. (See Item 30: Vehicle Specifications and Standards and Item 34: Oversized Vehicles.)

ITEM 36: TRUCK IN / TRUCK OUT

Motor vehicles that enter or are stored at a BNSF Automotive facility must be for movement on BNSF. Motor vehicles that do not include BNSF transportation cannot be stored or reside at a BNSF facility, unless separate facility space agreements have been authorized and signed by the shipper and BNSF. Contact a BNSF Automotive Marketing Representative for truck in and truck out approval and other information.

Truck in and truck out applies on motor vehicles that are delivered to a BNSF Automotive (origin) facility, but are not shipped by BNSF rail transportation to the final destination.

The motor vehicles will be unloaded from the haul-away carrier. The vehicles will be entered into BNSF's Auto Track system for inventory management purposes. (See Item 41: Haul-away Storage and Associated Charges regarding vehicles trucked in and remaining on a haul-away carrier.)

For vehicles trucked in and trucked out, the shipper or haul-away carrier will be charged \$50 per vehicle to enter the facility. Storage charges will apply. (See Item 42: Storage Free Time and Charges.)

BNSF will not be liable for any loss, damage, or expenses while these motor vehicles reside at a BNSF Automotive facility. (See Item 31: Vehicle Inspections and the Liability / Claims Chapter.)

This Item is not applicable for vehicle exchanges between haul-away carriers. (See Item 41: Haul-away Storage and Associated Charges.)

ITEM 37: FACILITY OVERCAPACITY (WITH THE SHIPPER'S VEHICLES)

If a BNSF Automotive facility is at capacity (full), BNSF has the right to either store the motor vehicle shipment en route or divert the shipment to another location determined by BNSF.

If the motor vehicles are stored in a railcar, the shipper will be assessed a storage charge of \$150 per railcar per day (or fraction thereof). In addition, the shipper will incur \$150 charge per railcar if BNSF diverts the railcar to another facility, in addition to storage charges, freight charges, costs to deliver vehicles to a different destination, and other applicable charges. The unloading site is not responsible for additional charges to move vehicles to the final destination. If BNSF refuses to take the vehicle shipments (railcars) at a junction (interchange point or location), the shipper will be responsible for the (rail) car hire.

ITEM 38: PERSONALLY OWNED VEHICLE SHIPMENTS

BNSF does not handle personally owned or private motor vehicles. For companies that can handle such shipments, please visit the bnsf.com web site, under Markets, Automotive (or <http://www.bnsf.com/markets/automotive/index.html>).

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HAUL-AWAY SPECIFICATIONS

ITEM 39: VEHICLES DEPARTING THE FACILITY

When the haul-away carrier retrieves (picks-up) vehicles from a BNSF facility, the haul-away carrier must present the bay tags and the load sheet to the facility personnel when departing the facility.

(See Item 31: Vehicle Inspections for reporting vehicle damage.)

ITEM 40: HAUL-AWAY FACILITY USE CHARGE

At some locations, a haul-away carrier may lease office space at BNSF Automotive facilities with appropriate Marketing approval.

If a haul-away carrier desires to be on-site, all expenses used to establish and maintain the office will be the haul-away carriers' responsibility.

Contact a Marketing Representative for associated terms and conditions.

ITEM 41: HAUL-AWAY STORAGE AND ASSOCIATED CHARGES

Motor vehicles that enter or are stored at a BNSF Automotive facility must be for transportation on BNSF. Motor vehicles that do not include BNSF transportation service, cannot be stored or reside at BNSF facility.

A haul-away carrier may not delay, detain, remain, rest, or store equipment at a BNSF Automotive facility without the authorization or approval of the Facility Management. Authorization must be granted for each occurrence. If authorization is not granted for the respite, the haul-away carrier will be assessed \$500 per day, and other applicable charges.

The haul-away carrier may not perform maintenance or repairs without approval from the BNSF Facility Management.

If the haul-away carrier leaves a motor vehicle at a BNSF facility that is to be exchanged with another haul-away carrier, the haul-away carrier will be assessed \$500 per motor vehicle per day, in addition to other applicable charges. Item 36: Truck In / Truck Out is not applicable for vehicle exchanges between haul-away carriers.

The haul-away carrier will be liable for any incident and all associated costs, expenses, and

charges, with a minimum charge of \$1000, resulting from maintenance, repairs, or damages that occurred during a haul-away's respite, including, but not limited to, distressed shipments, vehicle damage, loss of life, injury, destruction and contamination of property, equipment, lading, structures, remediation, restoration, and train or terminal operations.

BNSF will not be liable for any loss, damage, or expense incurred for the haul-away carrier, haul-carrier's equipment, or vehicles stored on the haul-away carrier's equipment during the haul-away carrier's respite at a BNSF facility.

(See other related haul-away Items including, but not limited to, Item 17: Shipping Instructions if a haul-away carrier is not stated (or later modified) in the shipping instructions, Item 31: Vehicle Inspections required by the haul-away carrier, and Item 48: Private Insurance required for entering a BNSF facility.)

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STORAGE

ITEM 42: STORAGE FREE TIME AND CHARGES

STORAGE APPLICATIONS

The following outlines the rules and charges for storage of motor vehicles at BNSF Automotive facilities.

Storage charges apply to the amount of time a motor vehicle remains at a BNSF Automotive facility waiting to be obtained (picked up) by a haul-away carrier or has a condition waiting to be addressed (such as Other Items stated in Section 2 below).

Notification occurs when BNSF advises the notify party that a motor vehicle is available to be obtained (picked up) or the shipment has a condition that needs to be addressed.

Storage charges are calculated using an averaging methodology (see Sections 4 and 5 of this Item).

The shipper or payer of the transportation (freight) charges is responsible for payment of all storage charges.

1. Governing Storage Documents

The *BNSF Automotive Rules and Policies Guide* is the governing document for:

- New or used motor vehicles.

2. Other Items

Other Items throughout this *BNSF Automotive Rules and Policies Guide* refer to conditions when storage rules and charges would apply to vehicles including, but not limited to:

- Improper, incomplete, or modified shipping instructions (see Item 17: Shipping Instructions, Item 18: Shipping Instruction Changes, and Section 4 of this Item).
- Held for a cash payment (see Item 11: Credit and Collections).
- Overweight shipments (see Item 28: Maximum Railcar Weight and Overweight Handling).
- Mexico or Canada service (see Item 24: Mexico or Canada Service).
- Reject railcar (see Item 33: Vehicle Unloading By Shipper)
- Truck In and Truck Out (see Item 36: Truck In and Truck Out).

- Facility Overcapacity (see Item 37: Facility Overcapacity).

3. Storage Free Time

Storage free time is the amount of time a vehicle or associated railcar can remain at a BNSF Automotive facility or be detained without incurring storage charges.

Storage for all motor vehicle shipments unloaded from a railcar will begin at 12:01 a.m. following notification.

The time between when the motor vehicle is unloaded from the railcar and 12:01 a.m. (following notification) is considered free time (no storage charges).

There is no free time for motor vehicles trucked in and trucked out or when railcars are detained or rejected due to a shipper's condition. (See Section 2 of this Item, Item 33: Vehicle Unloading By Shipper, Item 36: Truck In / Truck, and Item 37: Facility Overcapacity.)

4. Storage Charges Applications

Storage charges applications for all motor vehicle shipments:

- a. After storage free time has expired, the storage charge is \$5.00 per (debit) day (or fraction thereof) per motor vehicle when residing at a BNSF facility, in addition to other applicable charges.

The storage for motor vehicles detained on a railcar, such as at a shipper's location or when a facility is at capacity, will incur \$150 per day (or fraction thereof). The debit/credit system as described in Section 5 of this Item does not apply on railcar storage. (See Item 33: Vehicle Unloading By Shipper and Item 37: Facility Overcapacity.)
- b. If the manufacturer fails to provide the haul-away carrier on the shipping instructions, storage charges will apply.

Storage charges will be assessed at origin or destination for vehicles that are delayed while shipping instructions or other conditions (as stated in Section 2) are waiting to be corrected.

- c. The storage free time calculation or charges are not affected by BNSF moving shipments from one facility, location, or lot to another BNSF facility.
- d. Storage charges as noted in this section do not apply to long-term storage governed by specific written agreements. Should a manufacturer need long term storage, contact your BNSF Marketing Representative.
- e. Storage charges will continue until the vehicle departs (out-gates) from the BNSF facility.
A vehicle will be considered abandoned after sixty (60) days of storage. BNSF will dispose of the motor vehicle (at the shipper's expense) or sell for salvage.
- f. The data source for monitoring and measuring vehicle storage (dwell) at the BNSF Automotive facilities is BNSF's Auto Track system.
- g. Storage charge payments are due thirty (30) days from the invoice date.
Finance charges will occur thirty (30) days after the invoice date. (See Item 11: Credit and Collections and Item 12: Invoice Disputes.)
Storage disputes will not be accepted thirty (30) days after the invoice date.
- c. Storage debits (charges) are calculated starting the day following rail unloading and will continue monthly until the vehicle departs (out-gates) the facility.
- d. At the end of the month, if the shipper's storage credits exceed debits, no storage charges will be assessed for a particular facility.
However, if storage debits exceed credits, the shipper will be charged \$5 for each debit day (or fraction thereof) per facility. The debit storage charges will apply for each day that is not offset by a credit. The number of vehicles for each facility will be multiplied by the debit storage days. (For example, \$5 x (debit - credit storage days) x number of vehicles per facility.)
- e. The storage debits and credits will accumulate for each facility and will not offset storage balances at other facilities.
Excess credits from one month cannot be carried forward or used to offset charges in other months or at other facilities.

- f. Example storage calculations are shown below:

- A shipper moves 1,000 motor vehicles to a facility in a month. Each vehicle remains (dwells) on the facility for two (2) days.

The shipper would have:

$$\begin{aligned} & 3,000 \text{ credits (3 credits x 1,000 vehicles)} \\ & - 2,000 \text{ debits (2 debits x 1,000 vehicles)} \\ & = 1,000 \text{ credits} \end{aligned}$$

Since the storage credits exceed debits, no storage charges would be assessed.

- A shipper moves 1,000 motor vehicles to a facility in a month. Each vehicle remains (dwells) at the facility for four (4) days.

The shipper would have:

$$\begin{aligned} & 3,000 \text{ credits (3 credits x 1,000 vehicles)} \\ & - 4,000 \text{ debits (4 debits x 1,000 vehicles)} \\ & = 1,000 \text{ debits} \end{aligned}$$

Since storage debits exceed credits, a storage charge of \$5,000 would be assessed ((4,000 - 3000) x \$5).

5. Storage Calculations

- a. The shipper will be invoiced storage charges on a monthly basis. Charges will be calculated based on dwell at each BNSF facility.
- b. After the motor vehicle is unloaded from the railcar, each vehicle receives three (3) storage credits.
If a vehicle arrives one month and departs the facility another month, any remaining credits will be carried forward to the following month.
Storage credits will not apply to motor vehicles trucked in and trucked out or when railcars are detained or rejected due to a shipper's condition (see Section 2 of this Item, Item 33: Vehicle Unloading By Shipper, Item 36: Truck In / Truck Out, and Item 37: Facility Overcapacity).

LIABILITY / CLAIMS

ITEM 43: SHIPPER RESPONSIBILITIES

The shipper is responsible and liable for the requirements set forth in this Item, in addition to other Items and charges in this *BNSF Automotive Rules and Policies Guide*.

1. General Shipper Responsibilities

- a. When the shipper loads motor vehicles in a railcar, the shipper is responsible for securing the motor vehicles properly in the railcar. BNSF is not responsible for loss or damage to motor vehicles and/or the railcar that is caused by motor vehicles that are improperly secured.
- b. The shipper is responsible for loading motor vehicles into railcars suitable for the commodity and rail transportation.
- c. The shipper must provide seals on the railcar doors. It is the shipper's responsibility to protect the safety and integrity of the motor vehicles, including, but not limited to, the application of security-type seals to shipments for prevention of unauthorized access to the motor vehicles. Presence of a broken seal or missing seal alone does not deem the motor vehicles to be damaged. The shipper is responsible for providing documented evidence that each shipment is properly protected with security seals when tendered to BNSF. Contact Resource Protection Solutions for any barrier seal questions at 1-800-832-5452.

2. Shipper Vehicle Securement

- a. BNSF will not be responsible for any damages caused by failure of the shipper to secure the motor vehicles properly. The shipper is liable for damages, costs, expenses, fines, personal injury or death resulting directly or indirectly from failure to secure the motor vehicles properly.
- b. If a shipment is found to be secured improperly, the shipper will incur all expenses to adjust or transfer the load.

- c. If a shipment causes a derailment, delay, or other damages to BNSF, all expenses or costs incurred by BNSF will be charged to the shipper.

3. Shipper Railcar Inspection

When BNSF provides a railcar, the shipper is responsible for inspecting and determining if the equipment is suitable to protect and preserve the motor vehicles during transit. BNSF will not be liable for loss or damage to lading caused by defects in the equipment that the shipper's inspection could have discovered prior to loading.

4. Shipper Vehicle Inspection

The shipper is responsible for performing a complete inspection of the vehicle prior to tendering to BNSF and providing the inspection record to BNSF. BNSF or its agent will perform a destination inspection under-load (DIU). A destination inspection will also be made at the juncture between rail carrier and truck haul-away carrier identifying transportation related exceptions only (versus a condition report). (The conditions report notes all exceptions including normal wear and tear instead of identifying only transportation related exceptions.) If necessary, inspections will be sub-coded to differentiate transportation related conditions from other exception conditions. The shipper will be liable for exceptions that are not rail transportation related. (See Item 31: Vehicle Inspections.)

5. Shipper Provided Insurance and Liability Terms

For vehicle shipments with values exceeding BNSF's limited liability, the shipper may elect to provide its own insurance. The shipper can provide insurance coverage outside the transportation contract.

The shipper has the option to choose from three (3) liability terms depending on the value or terms required for the shipment.

1. The shipper may select the BNSF limited liability of a maximum railcar liability of \$200,000 per bi-level, \$300,000 per tri-level, \$320,000 per articulated bi-level, and \$440,000 per Auto-Max, or if the vehicle is not on a

railcar, the limited liability is \$20,000 per new vehicle and \$15,000 per used vehicle.

If the shipper wishes to obtain a higher loss or damage limit, it has these two options:

2. The shipper may obtain shipper-supplied insurance.
3. The shipper may obtain coverage under the terms of 49 USC 11706. (See Item 44: 49 USC 11706 Liability Terms.)

BY ACCEPTING THIS TRANSPORTATION OFFER WITHOUT FOLLOWING THE PROCEDURES FOR LIABILITY TERMS SET FORTH IN ITEM 44: 49 USC 11706 LIABILITY TERMS, THE SHIPPER ACKNOWLEDGES THAT IT HAS CHOSEN TO ACCEPT THE PRICE AUTHORITY RATE LEVELS AND TERMS AS OUTLINED IN THIS *BNSF AUTOMOTIVE RULES AND POLICIES GUIDE* INCLUDING LIMITED BNSF VALUE AND LIABILITY TERMS AS STATED IN ITEM 46: BNSF LIMITED LIABILITY.

ITEM 44: 49 USC 11706 LIABILITY TERMS

49 USC 11706 provides for full value liability and other liability terms for BNSF and the shipper.

49 USC 11706 REQUIREMENTS

To make a shipment pursuant to the terms of 49 USC 11706, the shipper must comply with all of the following procedures:

1. BNSF must be notified no less than forty-eight (48) hours before the shipment is tendered to BNSF that the shipper chooses 49 USC 11706 liability protection.
2. The shipper has obtained a BNSF special price authority that is no less than 200% of the other wise applicable price authority. The price authority must reference 49 USC 11706 liability terms.
3. The shipping instructions must note that the shipment is moving under the 49 USC 11706 liability terms and is subject to the special price authority.

4. The shipment must be prepaid. Collect shipments are not accepted.

ANY SHIPPER TENDERING A SHIPMENT FOR TRANSPORTATION WITHOUT COMPLYING WITH ALL OF THESE PROCEDURES WILL BE SUBJECT TO THE BNSF LIMITED LIABILITY TERMS AS DEFINED IN ITEM 46: BNSF LIMITED LIABILITY.

ITEM 45: SHIPPER GENERAL LIABILITY

The shipper will be liable to BNSF or any third party for property damage, personal injury, or death proximately caused by or resulting from:

- Failure to comply with any requirement set forth in this *BNSF Automotive Rules and Policies Guide*, including, but not limited to, equipment specifications and standards.
- A defect in the railcar or vehicle supplied by shipper.
- Failure of the shipper to secure the vehicles properly and in accordance with the requirements set forth in this *BNSF Automotive Rules and Policies Guide*.
- The presence of the shipper's employees, servants, or agents at a facility owned or controlled by BNSF, unless such damage, injury, or death is solely caused by the proven sole negligence or intentional misconduct of BNSF.

IT IS EXPRESSLY INTENDED THAT THE SHIPPER IS TO INDEMNIFY BNSF PURSUANT TO THE FOREGOING; SUCH INDEMNITY SHALL INCLUDE:

- INDEMNITY FOR THE NEGLIGENCE OR ALLEGED NEGLIGENCE OF BNSF, WHETHER ACTIVE OR PASSIVE, WHERE SUCH BNSF NEGLIGENCE IS A CAUSE (BUT NOT THE SOLE CAUSE) OF THE LOSS OR DAMAGE; AND
- INDEMNITY FOR STRICT LIABILITY RESULTING FROM VIOLATION OR ALLEGED VIOLATION OF ANY FEDERAL, STATE OR LOCAL LAW OR REGULATION BY BNSF, INCLUDING, BUT NOT LIMITED TO, THE FEDERAL EMPLOYERS LIABILITY ACT, THE SAFETY APPLIANCE ACT, THE BOILER INSPECTION ACT, AND THE OCCUPATIONAL HEALTH AND SAFETY ACT.

The shipper will defend and indemnify BNSF from and against the loss and damage described above and for the cost and expenses of

defending claims filed against BNSF for such damage, including, but not limited to, reasonable attorney's fees necessary to defend against claims or suits. Upon tender of the defense for any claim or action against BNSF, the shipper shall, at its expense, defend BNSF in such a claim or action.

Acceptance by BNSF of a shipment not in compliance with this *BNSF Automotive Rules and Policies Guide* will not serve to release the shipper from its obligations, including the obligation to defend and indemnify BNSF.

The shipper or owner of any equipment will be responsible for any necessary environmental clean up, except for clean up required resulting from proven gross negligence of BNSF.

All persons involved with a shipment will cooperate to the fullest extent with BNSF to mitigate any loss and damage on an equitable basis.

The shipper/receiver shall dispose of any salvage to the best possible advantage and deduct salvage proceeds from the claim, or give a reasonable allowance toward the claim when the vehicle is retained or withheld from the salvage market.

ITEM 46: BNSF LIMITED LIABILITY

LADING LOSS AND LIABILITY APPLICATION

BNSF SHALL NOT BE LIABLE FOR LOSS OR DAMAGE TO MOTOR VEHICLES UNLESS THERE ARE TRANSPORTATION RELATED INSPECTION RECORDS ESTABLISHING THAT BNSF WAS THE CAUSE OF THE LOSS OR DAMAGE. The claimant has the burden of proof to establish BNSF causation for the loss or damage.

In any event, BNSF has a limited liability of a maximum railcar liability of \$200,000 per bi-level, \$300,000 per tri-level, \$320,000 per articulated bi-level, and \$440,000 per Auto-Max, or if the vehicle is not on a railcar, the limited liability is \$20,000 per new vehicle and \$15,000 per used vehicle.

In addition, for new motor vehicles BNSF will not be liable for loss or damage where BNSF's liability is determined to be \$250 or less.

For used motor vehicles, BNSF will not be liable for loss or damage where BNSF's liability is determined to be \$300 or less. Additionally, any loss or damage in excess of \$300 per vehicle on used motor vehicles will be reduced by a \$300 deductible.

If the shipper wishes to obtain a higher loss or damage limit, the shipper has the following two options:

- The shipper may obtain insurance.
- The shipper may obtain coverage under the terms of 49 USC 11706 (see Item 44: 49 USC 11706 Liability Terms).

The liabilities and responsibilities of BNSF and the shipper outlined in Item 43: Shipper Responsibilities and this Item are independent of the value of the shipment.

BNSF LIMITED LIABILITY

BNSF is not liable for loss or damage to the lading until it takes actual possession of the railcar, and BNSF's liability ceases when the vehicle is tendered to haul-away carrier or other party. Once storage free time expires, BNSF's liability will only be that of a warehouseman. IN NO EVENT SHALL BNSF BE LIABLE FOR SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES RESULTING FROM DAMAGE TO OR LOSS OF A SHIPMENT.

1. Loss or Damage

BNSF shall not be liable for loss or damage to the motor vehicle if:

- a. The loss or damage is caused by shipper action or default, act of God, fire, hail, hurricane, tornado, high wind, flood, earthquake, other severe weather or climatic conditions, civil or military authority, war, riot, epidemic, strike or other labor disturbance, public enemy action, commodity's inherent vice, sabotage, shortage of diesel fuel, embargo or AAR service order, BNSF and/or shipper equipment, facilities, or mechanical breakdown, or any other catastrophic influence, laws, equipment design or condition that is not furnished by BNSF, or any occurrence that takes place when BNSF is not in actual possession of the vehicle.
- b. The loss or damage is created by acts, omissions or negligence of the shipper or shipper's agents. (See Item 43: Shipper Responsibilities.)
- c. The loss or damage is caused by failure of the shipper or shipper's agents to comply with the AAR Manual of

Standards and Recommended Practices for loading, unloading, or securement specifications.

- d. The loss or damage results from a shipment's delay in transportation, unless BNSF, upon the shipper's request, agrees in writing in advance of the shipment to be responsible for such loss or damage. (See Items in the Service Chapter.)
- e. The loss or damage is generated by failure of the shipper or shipper's agents to comply with obligations stated in this *BNSF Automotive Rules and Policies Guide*.

2. Shortages

BNSF shall not be liable for vehicle components or loosely shipped items found to be missing unless there is specific evidence of unauthorized entry into the railcar while it was in BNSF's possession.

3. Additional BNSF Liability Limitations

BNSF's liability shall be no greater than the percentage of proven BNSF causal negligence in the event that loss or damage results from the concurrent negligence of BNSF and the shipper, or the concurrent negligence of BNSF and an act of God, fire, hail, hurricane, tornado, high wind, flood, earthquake, other severe weather or climatic conditions, civil or military authority, war, riot, epidemic, strike or other labor disturbance, public enemy action, commodity's inherent vice, sabotage, shortage of diesel fuel, embargo or AAR service order, BNSF and/or shipper equipment, facilities, or mechanical breakdown, or any other catastrophic influence, laws, shipper's act or default, equipment design or condition that is not furnished by BNSF.

ITEM 47: VEHICLE CLAIMS AND FILING PROCEDURES

PAYMENTS BEFORE CLAIMS FILING

Even if filing a lading (freight) claim, all outstanding payments or charges are due according to standard payment terms defined in Item 11: Credit and Collections.

If applicable, any reimbursement of payments will be handled in the claims process outlined in this Item.

The *BNSF Automotive Rules and Policies Guide* is the governing document, and includes the applicable terms for liability and claims.

FILING CLAIMS TIME LIMIT

Regardless of the loss or damage cause, the shipper must file claims for lading loss or damage in writing. Claims must be received by BNSF within nine (9) months after the delivery date, or in the event of non-delivery, claims must be received within nine (9) months of what would have been the reasonable delivery date.

INTERLINE CLAIMS SETTLEMENT

For the purposes of consistent and uniform interline claim handling and claim settlement, the specific terms relating to an interline claim will be shared with the associated interline rail carriers, regardless of a confidentiality provision in an applicable transportation contract. Any unlocated loss or damage will be settled in accordance with the strictest or most limiting liability terms of the involved carriers.

NEW MOTOR VEHICLES

New motor vehicles with damage shall be classified as "repairable to new", "repairable to other than new", or "non-repairable".

On new motor vehicles "repaired to new" or "other than new" status, BNSF will reimburse shipper for the repair cost incurred. Additionally, if a vehicle is determined to be "repairable to other than new" status, BNSF shall provide settlement to the shipper for the value of depreciation, which shall be calculated as 10% of the dealer's cost or \$1,000, whichever is less.

Regarding new motor vehicles determined to be "non-repairable", BNSF shall reimburse the shipper the lower of these two amounts:

- Be sold at auction in an "as-is" damaged condition. BNSF shall reimburse shipper the dealer's invoice less the auction sale proceeds.
- Have a salvage allowance of 40% of vehicle's dealer cost applied, and the shipper retain the vehicle. BNSF shall reimburse the shipper the dealer's invoice less the 40% salvage allowance.

BNSF liability is limited to a maximum railcar liability of \$200,000 per bi-level, \$300,000 per tri-level, \$320,000 per articulated bi-level, and

\$440,000 per Auto-Max, or if the vehicle is not on a railcar, the limited liability is \$20,000 per new vehicle and \$15,000 per used vehicle.

No claim for loss or damage will be filed in any amount less than \$250 per vehicle for new motor vehicles.

If the shipper requires a higher loss or damage limit, the shipper has the following two options:

- The shipper may obtain insurance.
- The shipper may obtain coverage under the terms of 49 USC 11706. (See Item 44: 49 USC 11706 Liability Terms.)

USED MOTOR VEHICLES

When the commodity is used motor vehicles, BNSF will only be responsible for damages caused by derailment, transportation damage caused by jumped chocks, theft, or vandalism of original factory installed equipment while in BNSF possession. Additionally, the damages must be documented by BNSF at destination.

Regarding used motor vehicles determined to be "non-repairable", BNSF shall reimburse the shipper the lower of these two amounts:

- Reimburse the shipper the difference between the market value of the vehicle based on actual auction sales at the billed destination, at the time of loss, using a clean condition applicable vehicle year, make, model, mileage (adjusted for) and equipment, and the auction sale price of the vehicle in its "as-is" damaged condition.
- Reimburse the shipper the market value of the vehicle less a 40% salvage allowance.

BNSF liability is limited to a maximum railcar liability of \$200,000 per bi-level, \$300,000 per tri-level, \$320,000 per articulated bi-level and \$440,000 per Auto-Max, or if the vehicle is not on a railcar, the limited liability is \$20,000 per new vehicle and \$15,000 per used vehicle.

No claim for loss or damage will be filed in any amount less than \$300 per vehicle for used motor vehicles. Additionally, any claim in excess of \$300 per vehicle on used motor vehicles will be reduced by a \$300 deductible.

If the shipper requires a higher loss or damage limit, it has these two liability options:

- The shipper may obtain shipper-supplied insurance.
- The shipper may obtain coverage under the terms of 49 USC 11706. (See Item 44: 49 USC 11706 Liability Terms.)

FILING CLAIMS REQUIREMENTS

The lading claim must be properly supported with documentation to establish loss and damage, monetary amount, quantity, and type of damage.

Only the shipper or shipper's agent may initiate and maintain a claim for lading loss and damage or a suit against BNSF.

The claim must comply with the minimum filing requirements contained in 49 CFR Section 1005.2 (b).

The claim must fully identify the rail shipment and request payment of a certain amount, or the claim will not be deemed filed.

1. Claims Requirements

Include the following with each claim:

- a. A copy of the shipping instructions and other shipping documents.
- b. Documents establishing the responsibility for liability and the amount of monetary loss. (See Item 31: Vehicle Inspections.)
- c. Repair records and invoices detailing the nature of the damage or loss.
- d. Examples of documents giving evidence of damage include load sheet, dealer delivery receipt, inspection reports, and photographs.

2. Claims Address

Loss or damage claims shall be submitted by mail, fax, email, or internet to the following address. Electronic claim filing is available; contact the Director RPST Claims Solutions for information.

Send claims to:

Director Claims Solutions
 BNSF Railway
 P.O. Box 1738
 Topeka, Kansas 66601-1738
 Phone: 1-800-234-9652
 Fax: 1-785-435-4120
 Email: Claims.Solutions@BNSF.com
 Web:

<http://www.bnsf.com/tools/claims/index.html>.

3. Lawsuit Filing Time Limit

Filing a claim as defined in this Item is a prerequisite to filing a lawsuit with BNSF. All loss or damage suits filed against BNSF must be filed within nine (9) months from the date

BNSF declines the claim on which the suit is based.

4. Lawsuit Filing Location

All loss or damage suits filed against BNSF shall be filed in a United States Federal District Court in the location of the shipment's origination or termination on BNSF. If the United States Federal District court does not have jurisdiction for the controversy, the suit shall be filed in the appropriate U.S. State Court where the shipment originated or terminated on BNSF.

- The employee and workers compensation related exclusions in the above policy shall not apply with respect to claims related to railroad employees.
- The definition of insured contract shall be amended to remove any exclusion or other limitation for any work being done within 50 feet of railroad property.
- Any exclusion related to the explosion, collapse, and underground hazards shall be removed.

No other endorsements limiting coverage may be included on the policy.

ITEM 48: PRIVATE INSURANCE

INSURANCE REQUIREMENTS

This Item applies to all entities (including, but not limited to, the shipper or haul-away carrier) that comes into a BNSF facility or are a party to services covered by this *BNSF Automotive Rules and Policies Guide* shall provide and maintain a Certificate of Insurance for the motor vehicles.

The entity shall, at its sole cost and expense, procure and maintain the following insurance coverage.

1. Commercial General Liability Insurance

Commercial general liability insurance shall contain broad contractual liability with a combined single limit of a minimum of \$1,000,000 for each occurrence and an aggregate limit of at least \$2,000,000. If a non-BNSF party directs locomotive switching, the non-BNSF party shall procure and maintain Commercial general liability insurance that contains broad contractual liability with a combined single limit of a minimum of \$5,000,000 for each occurrence and an aggregate limit of at least \$10,000,000.

Coverage must be purchased on a (post 1998) Insurance Service Office occurrence form or equivalent and include coverage for, but not limited to, the following:

- Bodily injury and property damage
- Personal injury and advertising injury
- Fire legal liability
- Products and completed operations.

This policy shall also contain the following endorsements, which shall be indicated on the certificate of insurance:

2. Business Automobile Insurance

Business automobile insurance shall contain a combined single limit of at least \$1,000,000 per occurrence, and include coverage for, but not limited to the following:

- Bodily injury and property damage
- All equipment owned, used, or hired.

3. Workers Liability Insurance

Workers liability insurance shall include coverage for, but not limited to:

- Shipper's statutory liability under the workers' compensation laws of the state(s) in which the work is to be performed. If optional under State law, the insurance must cover all employees.
- Employers' Liability (Part B) with limits of at least \$500,000 each accident, \$500,000 by disease (policy limit), and \$500,000 by disease for each employee.
- If a non-BNSF party directs locomotive switching, all such coverage shall include coverage for the Federal Employers Liability Act and include an alternate employer endorsement naming BNSF as the alternate employer with coverage for the Federal Employers Liability Act. The term Alternate Employer as used herein and above is being used solely as an insurance term of art. By the non-BNSF party's actions of obtaining insurance coverage as set forth above is in no way intending or evidencing an alternate or dual employment relationship with BNSF. The parties agree: (1) BNSF has no right to direct or control the non-BNSF party's employees with respect to the physical conduct or the performance of services; (2) BNSF does not supervise, nor does it have the right to supervise, details of shipper's employees' work or the manner in which such work is accomplished; (3)

BNSF retains no control over the details of the non-BNSF party's employees' work; and (4) BNSF has no right to select, hire, train or fire non-BNSF party's employees.

4. Other Conditions

Additional requirements for private insurance are outlined below.

- a. All policies (applying to coverage listed in this Item) shall contain no exclusion for punitive damages, and certificates of insurance shall reflect that no exclusion exists.
- b. The shipper agrees to waive its right of recovery against BNSF for all claims and suits against BNSF. In addition, its insurers, through policy endorsement, waive their right of subrogation against BNSF for all claims and suits. The shipper further waives its right of recovery, and its insurers also waive their right of subrogation against BNSF for loss of its owned or leased property or property under its care, custody or control.
- c. The shipper's insurance policies through policy endorsement must include wording that the policy shall be primary and non-contributing with respect to any insurance carried by BNSF.
- d. All policy(ies) required in this Item (excluding Workers Compensation and if applicable, Railroad Protective) shall include a severability of interest endorsement and shall name BNSF as an additional insured with respect to work performed under this *BNSF Automotive Rules and Policies Guide*.
- e. The shipper is not allowed to self-insure without the prior written consent of BNSF. If granted by BNSF, any deductible, self-insured retention or other financial responsibility for claims shall be covered directly by the shipper in lieu of insurance. Any and all BNSF liabilities that would otherwise, in accordance with the provisions of this Item, be covered by the shipper's insurance will be covered as if the shipper elected not to include a deductible, self-insured retention, or other financial responsibility for claims.
- f. The policy(ies) shall contain a provision that obligates the insurance company(ies) issuing such policy(ies) to notify BNSF in writing at least thirty (30) days prior to any cancellation, substitution, or material alteration. Upon request from BNSF, a certified duplicate original of any required policy shall be furnished.
- g. Any insurance policy shall be written by a reputable insurance company acceptable to BNSF or with a current Best's Guide Rating of A- and Class VII or better, and authorized to do business in the state(s) in which the service is to be provided.
- h. The shipper WARRANTS that this Item has been thoroughly reviewed by the shipper's insurance agent(s)/broker(s), who have been instructed by the shipper to procure the insurance coverage defined in this Item.
- i. Allocated Loss Expense shall be in addition to all policy limits for coverage referenced in this Item.
- j. BNSF may reasonably modify the required insurance coverage to reflect current risk management practices in the railroad industry and underwriting practices in the insurance industry.
- k. If any portion of the operation is to be subcontracted by the shipper, the shipper will require the subcontractor to:
 - Provide and maintain insurance coverage as stated in this Item, naming BNSF as an additional insured, AND
 - Release, defend and indemnify BNSF to the same extent and under the same terms and conditions, as the shipper is required to release, defend and indemnify BNSF.
- l. Failure to provide coverage as required by this Item shall entitle, but not require, BNSF to terminate the transportation contract immediately.

The fact that insurance (including, without limitation, self-insurance) is obtained by the shipper shall not be

deemed to release or diminish the liability of the shipper including, without limitation, liability under the indemnity provisions of this Item. Damages recoverable by BNSF shall not be limited by the amount of the required insurance coverage.

RELEASE OR CLAIM INDEMNITY AGREEMENT

In addition, to insurance requirements outlined in the previous Section, the "Release or Claim and Indemnity Agreement" must be signed by any party coming onto BNSF property and on file with BNSF. The form can be accessed on the bnsf.com web site, under Markets, Automotive (or <http://www.bnsf.com/markets/automotive/index.html>).

DEFINITIONS

Abandoned - A vehicle is considered abandoned after sixty (60) days of storage. BNSF will dispose of the motor vehicle (at the shipper's expense) or sell for salvage. Outstanding charges are responsibility of the shipper. (See the Storage Free Time and Charges Item.)

Accessorial Charges - Charges other than freight charges, for services that include, but are not limited to, load, unload, storage, overload, and inspection. The charges are referenced throughout this *BNSF Automotive Rules and Policies Guide* and some are outlined in Appendix A. The charges are considered payments due to BNSF and are billed on miscellaneous or freight bills, or invoices.

Actual Receiver - Person, party, or legal entity that receives freight at the final destination, generally the party accepting or using the freight.

Actual Shipper - Person or legal entity whose goods are being shipped, generally the manufacturer or producer.

Automated Clearing House (ACH) - Type of method to send electronic payments to BNSF. For ACH Debit, the receiver initiates funds transfer, and for ACH Credit, the sender initiates the funds transfer. Contact BNSF Credit and Collections to establish these types of payments. (See the Credit and Collections Item.)

Automotive Facility - See the facility definition.

Auto Track - The BNSF Automotive Facility Inventory Management System. BNSF and its contractor's or agents' use this system. (See the Truck In / Truck Out Item.)

Availability - Indicates the shipment is available to be picked up (obtained). Service schedules state when a shipment must be tendered to BNSF at the origin (cutoff day and time) in order to receive the associated destination (availability day and time). Notification occurs at the time of availability and continues until the shipment is picked up. (See the Storage Free Time and Charges Item.)

Bay Tags - BNSF created documents placed in the vehicles indicating information such as VIN, parking location, railcar, and dealership.

Beneficial Owner - This is the person, party, or legal entity that owns or has title to the freight during transportation.

BNSF - This is the abbreviation for the BNSF Railway Company.

Bill of Lading - Shipping document or shipping instructions that are sent by the shipper and initiates the movement of a motor vehicle or railcar. (See the Shipping Instructions Item.)

Cars On Track - A registered trademark of BNSF Logistics. This program is for shipments of personally owned private motor vehicles. See the bnsf.com web site for additional details.

Cash Basis - If the shipper is on a cash basis (paid by cashier's check, certified check or by wire transfer) payment must be received before or at the time shipment is received. Railcars tendered by shippers on a cash basis will be held by BNSF until payment is received. Cash is not accepted at the gate (of an automotive facility). Checks should be sent to BNSF Accounting Revenue Management, 176 East Fifth Street, St. Paul, MN, 55101. (See the Credit and Collections Item.)

Centralized Waybilling Center (CWC) - BNSF's department that processes shipping instructions.

Collect - This indicates that the freight payments are made to the destination rail carrier for an interline movement. This type of billing is stated on the price authority and must be indicated on the shipping instructions. Billing types are either collect or prepaid.

Commodity - Contents in a railcar or equipment (loaded or empty) described on the shipping instructions and price authority. The commodity corresponds to an associated STCC. This is also referred to as the motor vehicle, vehicle, shipment, freight, gross cargo, or lading.

Complete Offer - Shipper accepting the *BNSF Automotive Rules and Policies Guide* and the

price authority in effect at the time the shipping instructions are given to BNSF. (See the Complete Offer Item.)

Contract Holder - A shipper who signed a transportation contract (multi-party agreement) and typically has a special or multi-party price authority.

Conventional Auto-rack - Non-articulated, fully enclosed multi-level railcar, including AAR car types V1, V2 (excluding V295), V3, V4, V6, V8, and V9.

Customer Support - A BNSF Automotive customer relations group that handles service related problems.

Cutoff - Indicates the day and time that the shipment must be tendered to BNSF at the origin in order to receive the associated availability (day and time).

Day - Equates a twenty-four (24) hour period.

Daylight Savings Time - BNSF railroad operations and charges observe daylight savings time when in effect.

Delivery - Denotes to deliver a vehicle to the BNSF.

Domestic - Automotive shipments that move within North America without a prior or subsequent water movement.

DOT - An abbreviation for the Department of Transportation.

EDI - This is the abbreviation for Electronic Data Interchange.

Electronic Funds Transfer (EFT) - A method to send electronic payments to BNSF. See the definition for ACH. (See the Credit and Collections Item.)

Embargo - An embargo is a temporary measure to control shipments that threaten operations and warrant restrictions of such movements. An order that prohibits further movement of, including, but not limited to, specific shippers, commodities, or equipment. Once shippers are notified by BNSF of an embargo, any shipments in question cannot be tendered to BNSF and are prohibited on BNSF until the embargo is lifted. Failure to adhere to

the embargo status or advise BNSF of any shipment in BNSF's custody or control can result in the shipper being subject to a charge of \$50,000 per incident, in addition to other applicable charges.

Empty - Is a railcar that contains no commodities or contents. Empty is a commodity description and has an associated STCC.

Equipment - All shipping devices as well as all types of equipment that may be used for handling or moving automotive shipments including, but not limited to, railcars, locomotives, tractor-trailers, and track structures. Also, see the definitions for shipment and motor vehicle.

Exempt - Not governed by federal regulatory boards.

Facility - Automotive ramp used to load and unload motor vehicles on the BNSF. It is a location owned, operated, or leased by BNSF for the storage or holding of motor vehicles.

Facility Space Agreement - Agreement between BNSF and shipper to allocate a certain amount of space inside of a BNSF Automotive facility for the storage of motor vehicles.

Force Majeure - Acts of God and other conditions when BNSF is excused from any obligation to perform transportation services.

Free Time - Amount of time before charges apply.

Freight Bill - A bill or invoice for movement of vehicles. Other associated charges may be indicated on the freight bill or invoice.

Freight Charges - The price authority rate for movement of a vehicle or railcar as stated on an invoice or freight bill sent to shipper for payment. Also considered payments due to BNSF.

Freight Claim - A claim for lading damages. Freight claims procedures are defined in the Vehicle Claims Item.

Gross Cargo Weight - Total weight of lading (cargo), including securement devices.

Haul-away Carrier - These services obtain or deliver motor vehicles into or out of a facility. This can also be the person, legal entity(ies),

party(ies), or agent(s), acting on behalf of the shipper, receiver or haul-away carrier. Usually these are trucking services of motor vehicles.

In-gate - Means a vehicle arriving at and being received at a BNSF Automotive facility. If the vehicle is "in-the-gate," then the shipment has entered a BNSF facility.

Interchange - The transfer of a railcar from one rail carrier to another (as referenced in Price Authorities Application and Applicable Industry Publications Items). This is also referenced as an exchange of electronic information (EDI) or equipment.

Interline - The movement between two or more rail carriers. (See the Price Authorities Application Item for Joint-line, Rule 11, and other types of interline shipments and price authorities.) Proper shipping instructions are required for interline shipments.

Intermediate Stops - Rail stop-offs are not permitted on vehicle shipments. (See the Rail Stop-offs Item.)

Intermodal - Transportation of commodities in trailer or container equipment moving in intermodal service. See the *BNSF Intermodal Rules and Policies Guide*.

International - Shipments with an immediate prior or subsequent water move or when the shipper has proof of importation/exportation to or from the territories of the U.S., Hawaii, or foreign countries. International rates do not apply to shipments between the Continental U.S., Mexico, Canada, or Alaska.

Invoice - Considered a bill, freight bill, balance or payments due, miscellaneous bill, or a bill for transportation services, accessorial charges, finance charges, fuel surcharges, or other charges.

Joint-line - This is type of interline shipment. A joint-line price authority is one price authority that applies to the entire movement from rail origin to rail destination on two or more railroads. The rate includes all interchange charges unless otherwise noted. Send the shipping instructions only to the origin carrier, who forwards the shipping instructions to the other carriers in the route. (See the Price Authorities Application Item.)

Load - Considered placing the vehicle on a railcar.

Load Sheet - Haul-away carrier dispatch instructions (document) indicating the vehicles should be obtained (picked up) at a facility.

Manifest - A listing of the commodities and associated quantities within the railcar.

Marketing - A group handling the marketing and pricing of BNSF Automotive service offerings.

Multi-level - Type of articulated or non-articulated railcar including a uni-level, bi-level, or tri-level designed for movement of vehicles on the railroad.

Motor vehicles - Automobiles, vehicles, cars, trucks, passenger motor vehicles, or other commodities transported in multi-level railcars. These can be tendered to BNSF individually, by a haul-away carrier, or on a railcar.

Notification - BNSF advises the notify party that a vehicle is available for pick up, delivery, loading, unloading, or there is problem with the shipment. At destination, notification occurs when shipment is available (availability) and will continue until shipment is picked up. BNSF is not responsible for notification failures. (See the Storage Free Time and Charges Item.)

Notify Party - Person identified on the shipping instructions to be notified when the shipment is available or has a problem (typically the shipper, receiver, haul-away carrier, or their agents, employees or contractors). Generally, notification will be to the shipper for origin items (or problems), and to the specified notify party for destination items. The notify party is required to maintain facsimile communication capabilities twenty-four (24) hours per day, seven (7) days per week for notification purposes.

Out-gate - When a vehicle is removed from a BNSF Automotive facility.

Payments - Amounts due or paid for the movement of a railcar (price authority rate) and any other charges incurred that are stated on an invoice or freight bill and sent to the shipper for payment. This is also considered freight charges or invoiced amounts.

Person - Includes, but is not limited to, individuals, sole proprietors, partnerships, corporations, associations, cooperatives, trusts, and other entities.

Pick Up - To retrieve a vehicle, such as obtaining a vehicle from a shipper's facility or a BNSF facility.

Pier or Port - This is the loading or unloading of motor vehicles to or from steamships (vessels) and railcars at a pier, dock, or port facility. Also a seaport.

Prepaid - This indicates that the freight payments are made to the originating rail carrier on an interline shipment prior to the shipment's release. This type of billing is stated on the price authority and must be indicated on the shipping instructions. Types of billing are either prepaid or collect.

Price Authority - The document (such as special quotations, or multi-party agreements) that states the rate for a movement. (See the Price Authorities Application Item.)

The correct price authority and associated information must be provided on the shipping instructions in order to apply the appropriate rate to a shipment. Once a vehicle has been tendered to BNSF, the price authority cannot be changed on the shipping instructions. (See the Shipping Instructions Item.)

Railcar - A covered multi-level used to transport motor vehicles between origin and destination. (See the Railcar Equipment Section.)

Receiver - Person or legal entity receiving the shipment at destination and including receiver's agents, employees and independent contractors acting on behalf of the receiver. The person receiving a vehicle that may or may not be at the final destination.

Rule 11 - This is a type of interline shipment. The shipper uses applicable Rule 11 price authorities of two (or more) rail carriers for an interline move.

Rule 11 price authorities allow shipments to be interchanged to another railroad. Shipping instructions should only be sent to the origin carrier. Rule 11 must be indicated on the original shipping instructions (bill of lading) along with each price authority for the rail carriers involved in the movement.

Service - Transportation between origin and destination locations specified on a price authority. Part of the service offering.

Service Schedules - Schedules provided to shipper from BNSF that state the cutoff at origin, transit time, and delivery to BNSF destination facility. These are obtained from a BNSF Marketing Representative.

Shipment - Railcar, vehicle, motor vehicle, freight, equipment, traffic, movement, or lading tendered with shipping instructions at an origin for movement to a destination, regardless if it is a load or empty. The price charged per shipment is stated in the price authority.

Shipper - Person or legal entity that is shipping the vehicle from origin and including shipper's agents, employees and independent contractors acting on behalf of the shipper or receiver; usually the person sending the shipment instructions and payer of freight (transportation) and assessorial charges.

Shipping Instructions - A bill of lading sent via EDI or BNSF's Internet Shipping Instructions web site from the shipper that must be tendered with each shipment. Also known as an Order Notify Bill of Lading, Shipping Order, or Shipping Document. (See the Shipping Instructions Item.)

Special Price Quotation - Special negotiated rate (document) for a specific automotive shipment based on certain factors. This is a type of price authority. (See the Price Authorities Application Item.)

STCC - This is an abbreviation for Standard Transportation Commodity Code, which is associated to a commodity. Both the actual commodity and STCC must be stated on the shipping instructions. (See the Shipping Instructions Item.)

Storage Charges - Charges associated with the period of time that a vehicle is held at a BNSF Automotive facility beyond notification and free time. (See the Storage Free Time and Charges Item.)

Surcharges - All transportation services and shipments will be subject to any surcharge implemented by BNSF or imposed on BNSF, regardless of price authority (including all multi-party, contracts, and other agreements). (See the

Fuel Surcharge and Other Surcharges, and the Special Assessments Items.)

Transportation Agreement - A transportation agreement (complete offer) is created each time BNSF receives a shipment according to the offer contained in the *BNSF Automotive Rules and Policies Guide* and relevant price authority. (See the Complete Offer Item.)

Transportation Contract - A transportation contract is also a multi-party arrangement that allows the party to receive "contract-holder" types of price authorities. (See the Price Authorities Application Item.)

Truck In / Truck Out - To bring motor vehicles to a BNSF Automotive facility, store them, and then remove them by means of highway transport with no rail movement used to transport motor vehicles. (See the Truck In / Truck Out Item.)

Uniform Bill of Lading - A form of the bill of lading prescribed by the Surface Transportation Board, which is deemed to incorporate a bill as set forth in Title 49, Code of Federal Regulations, Part 1035. (See the Shipping Instructions definition and Item.)

Unload - Remove or unload a vehicle from a railcar.

Unlocated Damage - Loss and damage to motor vehicles where the cause cannot be determined by normal inspection.

Vehicles - See the motor vehicles definition.

VIN - The abbreviation for Vehicle Identification Number. This is a motor vehicle alphanumeric legal identifier.

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APPENDIX A: CHARGES AND AMOUNTS
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CHARGES AND AMOUNTS

The shipper is responsible for all charges and amounts mentioned throughout this *BNSF Automotive Rules and Policies Guide*. As reference, some of the Items, associated charges, and amounts are listed. See the appropriate Items for the complete details. All charges and amounts are subject to change. Multiple charges or amounts can be incurred when applicable.

ITEM	CHARGES/AMOUNTS
GENERAL RULES	
Item 5: Price Authorities Application - stated on shipping instructions Rule 11 - not indicated and no interline rate authority Improper interline Mexico shipment	as applicable BNSFQ 111123 rate \$200 per railcar
Item 9: Laws and Regulations Compliance - charges	as applicable
CREDIT AND COLLECTIONS	
Item 11: Credit and Collections - freight, accessorial, finance, other	as applicable
Item 12: Invoice Disputes - finance charges on non-disputed charges	as applicable
Item 13: Fuel Surcharge and Other Surcharges	as applicable
Item 14: Accessorial Services and Charges	as applicable
Item 15: Special Assessments - costs, fees, taxes, tolls and special charges	as applicable
SHIPPING INSTRUCTIONS	
Item 17: Shipping Instructions - awaiting Shipping Instructions	\$100 per vehicle day
Item 18: Shipping Instructions Changes - Incorrect information requires corrections Shipping instructions changes that can occur Changing destination, if can be accomplished - same shipper Changing destination, if can be accomplished - mixed shippers	\$50 charge per shipment \$100 per change \$150 per railcar \$450 per shipment
Item 19: Shipment Misidentification - misidentified shipment	\$500 per shipment
SERVICE	
Item 23: Embargo	\$50,000 per railcar
Item 24: Mexico or Canada Service Mexico document delay charge - after 72 hours	as applicable \$50 per car day (1-3) \$100 per car day (4+)
Item 25: Rail Carrier Bond T&E missing on shipping instructions Use of approved paper T&E bond Inappropriate use of BNSF's bond	\$200 per shipment \$200 per shipment \$10,000 per shipment
RAILCAR SPECIFICATIONS	
Item 26: Railcar Specification and Standards - improper loading	as applicable
Item 28: Maximum Railcar Weight and Overweight Handling - overweight issues	as applicable
Item 29: Prohibited Railcar Equipment	as applicable
Continued on the next page.	

VEHICLE SPECIFICATIONS	
Item 30: Vehicle Specifications and Standards - address non-compliance	as applicable
Item 32: Vehicle Loading by Shipper - misloaded or transloaded shipment	as applicable
Item 33: Vehicle Unloading by Shipper - misloaded or transloaded shipment	as applicable
Item 35: Prohibited Vehicles - address non-compliance	as applicable
Item 36: Truck In and Truck Out - vehicles trucked in and out	\$50 per vehicle
Item 37: Facility Overcapacity - divert railcar to other facility due to overcapacity	\$150 per railcar
HAUL-AWAY SPECIFICATIONS	
Item 40: Haul-away Facility Use Charge	as applicable
Item 41: Haul-away Storage and Associated Charges - Unauthorized haul-away storage Vehicle exchange Maintenance, repair, or damages from an incident	\$500 per day \$500 per vehicle per day as applicable, \$1000 min.
STORAGE	
Item 42: Storage Free Time and Charges - Vehicle storage at a BNSF facility - (debit-credit) x vehicles per facility Storage per railcar	\$5 per day per vehicle \$150 per railcar
LIABILITY / CLAIMS	
Item 43: Shipper Responsibilities - non-compliance BNSF's limited liability	as applicable maximum railcar liability of \$200,000 per bi-level, \$300,000 per tri-level, \$320,000 per articulated bi-level, and \$440,000 per Auto-Max, or \$20,000 per new vehicle, \$15,000 per used vehicle
Item 46: BNSF Limited Liability - BNSF's limited liability BNSF not liable for new motor vehicles loss or damage BNSF not liable for used motor vehicles loss or damage Used motor vehicle loss or damage reduced by a \$300 deductible	maximum railcar liability of \$200,000 per bi-level, \$300,000 per tri-level, \$320,000 per articulated bi-level, and \$440,000 per Auto-Max, or \$20,000 per new vehicle, \$15,000 per used vehicle \$250 or less \$300 or less excess \$300 per vehicle
Item 47: Vehicle Claims and Filing Procedures New motor vehicles, BNSF will reimburse shipper Vehicle repairable to other than new status depreciation - lesser of Salvage allowance BNSF maximum liability	repair cost 10% dealer cost or \$1,000 40% of vehicle's dealer cost or dealer invoice less the 40% salvage allowance maximum railcar liability of \$200,000 per bi-level, \$300,000 per tri-level, \$320,000 per articulated bi-level, and \$440,000 per Auto-Max, or \$20,000

APPENDIX A: CHARGES AND AMOUNTS

Loss or damage to file a claim must be more than for new vehicles Loss or damage to file a claim must be more than for used vehicles Used motor vehicle loss or damage reduced by a \$300 deductible	per new vehicle, \$15,000 per used vehicle \$250 per new vehicle \$300 per used vehicle excess \$300 per vehicle
Item 48: Private Insurance Commercial general liability insurance - single limit Commercial liability insurance - aggregate limit Non-BNSF party directs locomotive switching operations - single limit Non-BNSF party Commercial liability insurance - aggregate limit	minimum of \$1,000,000 \$2,000,000 minimum of \$5,000,000 \$10,000,000

APPENDIX B: CONTACTS

CONTACTS AND PHONE NUMBERS

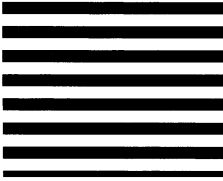
Some of the contacts mentioned in this *BNSF Automotive Rules and Policies Guide*.

The primary web page for Automotive Marketing is at [bnsf.com](http://www.bnsf.com), under Markets, Automotive (or the link is <http://www.bnsf.com/markets/automotive/index.html>).

AREA / FUNCTION	CONTACT METHOD
Automotive Marketing	1-888-428-2673, option 4, 2, 8 http://www.bnsf.com/markets/automotive/index.html
Barrier Seals (Resource Protection)	1-800-832-5462 (correct number 1-800-832-5452) http://www.bnsf.com/tools/resourceprotection/protection.html
Claims Solutions	1-800-234-9652 Fax: 1-785-435-4120 http://www.bnsf.com/tools/claims/index.html
Credit Department	1-817-352-4194 http://www.bnsf.com/prospective/credit_application.html
Customer Support	1-888-428-2673
Freight Claims	1-800-234-9652 Fax: 1-785-435-4120
Inspection Service Bureau	1-800-333-4686 http://www.bnsf.com/tools/lars/inspection_service_bureau.html
Intermodal Marketing	1-888-428-2673 http://www.bnsf.com/markets/intermodal/index.html
Load & Ride Solutions (LARS)	1-800-333-4686 http://www.bnsf.com/tools/lars/index.html
Canada / Mexico Documentation	1-308-763-2273 / 1-915-534-2362
Mexi-modal Marketing	http://www.bnsf.com/business/mexico/meximodal/html/MEXI_Contact_List.html
Mexico Marketing	http://www.bnsf.com/business/mexico/html/contacts.html
Order Railcars - Forecast Tool	1-800-234-8440
Resource Protection Solutions	1-800-333-4686 http://www.bnsf.com/tools/resourceprotection/protection.html
Shipping Instructions Changes	1-888-428-2673 http://www.bnsf.com/ipower/apps/helpfiles/ShippingInstructions/shipinstruchelp.html http://www.bnsf.com/prospective/tools.html
T&E Bond	Canada 1-308-763-2273 Fax: 1-308-763-2554 Mexico 1-915-534-2362 Fax: 1-915-534-2300



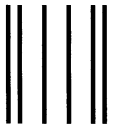
NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES



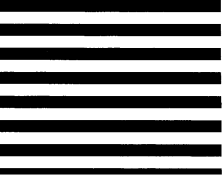
BUSINESS REPLY MAIL
FIRST-CLASS MAIL PERMIT NO. 1252 FORT WORTH TX

POSTAGE WILL BE PAID BY ADDRESSEE

ATTN: RENITA LEE
AUTOMOTIVE MARKETING
BNSF RAILWAY
PO BOX 961065
FORT WORTH TX 76161-9906



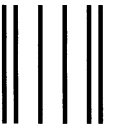
NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES



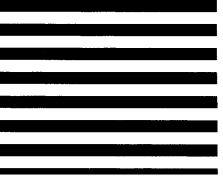
BUSINESS REPLY MAIL
FIRST-CLASS MAIL PERMIT NO. 1252 FORT WORTH TX

POSTAGE WILL BE PAID BY ADDRESSEE

ATTN: RENITA LEE
AUTOMOTIVE MARKETING
BNSF RAILWAY
PO BOX 961065
FORT WORTH TX 76161-9906



NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES



BUSINESS REPLY MAIL
FIRST-CLASS MAIL PERMIT NO. 1252 FORT WORTH TX

POSTAGE WILL BE PAID BY ADDRESSEE

ATTN: RENITA LEE
AUTOMOTIVE MARKETING
BNSF RAILWAY
PO BOX 961065
FORT WORTH TX 76161-9906



Please fill out this reply card and return to BNSF to indicate that you have received your new *BNSF Automotive Rules and Policies Guide*.

By returning this card, your name will be added to the mailing list to receive updates.

Name _____

Title _____

Company _____

Address _____

City _____ State _____ Zip _____

Phone _____ Fax _____

E-mail address _____

Please send me _____ more *Automotive Guides* for others in my organization.

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