PROGRESSIVE RAIL INC.

FREIGHT TARIFF PGR 9300

RAIL TRUCK TRANSFER TARIFF

PROVIDING SERVICE
ON
DRY AND LIQUID COMMODITIES
AT
STATIONS NAMED IN ITEM 110

RAIL - TRUCK TRANSFER TARIFF

Governed by the Uniform Freight Classification, UFC 6000-series, See Item 5

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

ISSUED: April 26, 2007 EFFECTIVE: May 27, 2007

ISSUED BY

D. J. Fellon, President Progressive Rail Inc. 21778 Highview Ave. Lakeville, MN 55044

RULES AND OTHER GOVERNING PROVISIONS GENERAL RULES AND REGULATIONS

ITEM 2.10

PARTICIPATING CARRIER

ABBREVIATION: NAME OF CARRIER:

PGR PROGRESSIVE RAIL INC.

ITEM 5

DESCRIPTION OF GOVERNING CLASSIFICATION

The term "Uniform Freight Classification" when used herein means Uniform Freight Classification 6000 – series.

ITEM 15

HAZARDOUS FREIGHT

Shipments of hazardous freight under this tariff are subject to regulations of the U.S. Department of Transportation as shown in Bureau of Explosives, STB BOE 6000 – series, C. Keller, Agent.

ITEM 20

REFERENCE TO TARIFFS, ITEMS, NOTES, RULES, FTC.

- (A) Where reference is made in this tariff to tariffs, items, notes, rules, etc., such references are continuous and include supplements to and successive issues of such tariffs and reissues of such items, notes, rules, etc.
- (B) Where reference is made in this tariff to another tariff by number, such reference applies also to such tariff to the extent it may be applicable on intrastate traffic.

ITEM 75

METHOD OF CANCELLING ITEMS

As this tariff is supplemented, numbered items with letter suffixes cancel correspondingly numbered items in the original tariff or in a prior supplement. Letter suffixes will be used in alphabetical sequences starting with A. For example: Item 100-A cancels Item 100 and Item 200-B cancels Item 200-A in a prior supplement, which in turn canceled Item 200.

ITEM 100

METHOD OF DENOTING REISSUED MATTER IN SUPPLEMENTS

Matter brought forward without change from one supplement to another will not be designated as "Reissued" by a reference mark. To determine its original effective date, consult the supplement in which the reissued matter first became effective.

RULES AND OTHER GOVERNING PROVISIONS GENERAL RULES AND REGULATIONS

ITEM 110

APPLICATION

The provisions of this tariff will apply on various commodities at designated PGR "*Progressive Rail Distribution*" facilities at the following locations:

Bloomington, MN (2001 - 94th Street) Lakeville, MN (21778 Highview Ave)* Lakeville, MN (21790 Hamburg Ave)* Lakeville, MN (8415 - 220th Street)* Minneapolis, MN (220 West 60th St)*

Progressive Rail Distribution facilities listed above are operated by Progressive Rail Inc. (PGR). The purpose of this tariff is to advise PGR shippers of the services they may expect when utilizing **Progressive Rail Distribution**. Arrangements for service at **Progressive Rail Distribution** facilities shall be made between the shipper and PGR.

Upon request of the shipper, the terminal services named herein will be performed as described herein (See Note 1), which involve a PGR movement to or from the above terminals, subject to the charges, rules and regulations published herein.

To arrange for terminal services specified in Item 115 at locations specified above, Shipper will notify PGR before actual shipment of product is made, advising PGR *Progressive Rail Distribution* personnel of the commodity and the car number to be shipped. Bill of ladings for shipments should list *Progressive Rail Distribution* as the care of party or the ship from party (as the case may be).

NOTE 1: *Progressive Rail Distribution* facilities will handle commodities in bulk when appropriate infrastructure and equipment for handling such commodities are available. PGR will require shipper to provide Material Safety Data Sheets (MSDS) and will keep same on file as well as product Handling Protocol for hazardous materials and such other information as may be required, including the need for special transfer equipment, personal protective equipment (PPE), pollution control, etc., prior to shipment of the commodity. PGR reserves the right to refuse any commodity at its *Progressive Rail Distribution* facilities.

^{*} Formerly known as Carload Connection. Cars consigned to, in care of, or shipped from Carload Connection will be handled in accordance with the provisions of this tariff.

RULES AND OTHER GOVERNING PROVISIONS GENERAL RULES AND REGULATIONS

ITEM 112

MOTOR CARRIER ACCESS

A shipper may retain a motor carrier to load or unload commodity at a *Progressive Rail Distribution* facility. In order to load or unload a commodity at a *Progressive Rail Distribution* facility, a motor carrier must execute an indemnity agreement ("Right of Entry Agreement") between the motor carrier and PGR, covering the motor carrier's activities while at the *Progressive Rail Distribution* facility. When this agreement is fully executed, a motor carrier is "pre-approved". Carriers and their employees operating at *Progressive Rail Distribution* sites are required to conform to all such rules and procedures.

All pre-approved motor carriers may deliver to or pull loads from a PGR *Progressive Rail Distribution* facility. Motor carriers may be required to assist in the connection and loading or unloading of the trailer. The motor carrier will be responsible for its equipment at all times and the driver must remain with the vehicle while loading or unloading. The motor carrier will comply with all required safety procedures, which will include the removal of vehicle keys while loading Hazmat products. Authorized terminal personnel will load or unload all hazardous materials.

A motor carrier that is not pre-approved will not be allowed to enter a PGR **Progressive Rail Distribution** facility.

The motor carrier driver must have a valid CDL (Commercial Driver's License) in his/her possession while conducting activities at the PGR *Progressive Rail Distribution* facility.

Concerning self-loading, an administration charge of \$75 per trailer will be assessed to the shipper, if the motor carrier is not provided by PGR. This charge applies to the self-loading of dry and non-hazardous liquid products. (See Note 1) The motor carrier should charge the shipper a transfer fee only with no administration charges.

NOTE 1: For the purposes stated herein, "self-loading" shall be defined as a motor carrier using equipment affixed to its equipment to perform the physical transfer of the commodity. Self-loaders must also supply all hoses, fittings, etc. in addition to appropriate spill containment for the transfer of commodity.

RULES AND OTHER GOVERNING PROVISIONS GENERAL RULES AND REGULATIONS

ITEM 115

TERMINAL SERVICES; CONDITIONS; UNLOADING OF RAIL CARS; MAXIMUM TRANSFER CHARGES; BILLING

A. BASIC SERVICES INCLUDED IN A TRANSFER

Unless otherwise agreed upon by PGR and the customer, a dry or liquid bulk transfer conducted at a PGR *Progressive Rail Distribution* facility will include the following services at no additional cost:

- 1. Weigh empty trailer.
- Inspection of PGR terminal transfer equipment for cleanliness. This does not include self-load equipment.
- Verification of motor carrier's shipment documentation.
- Sample contents of one compartment of nonhazardous rail car. Samples are to be taken from the bottom of the railcar unless otherwise agreed upon by the shipper and PGR.
- 5. Perform non-self load transfer at negotiated charge.
- Sample contents of inbound loaded non-hazardous trailer.
- 7. Weigh loaded trailer.
- 8. Provide driver with scale ticket and product sample if requested by the shipper or beneficial owner.

The Shipper and PGR may agree upon the performance of services in addition to those listed above, at rates to be negotiated by the parties.

B. CONDITIONS OF TERMINAL SERVICES

- Prior to acquiring terminal services at a PGR
 Progressive Rail Distribution facility listed in Item
 110, shipper or beneficial owner must provide said
 facility a MSDS covering the commodity to be
 handled, and, for hazardous materials a Handling
 Protocol outlining hazards and procedures for safe
 handling.
- PGR, directly or indirectly through an independent contractor, will perform the services named herein on carload shipments of commodity, subject to charges, rules and regulations published herein. PGR reserves the right to refuse to handle any commodity at its sole discretion.
- 3. All commodities must have a MSDS sheet on file at the terminal prior to arriving for terminal services. For shipments of hazardous materials, a Handling Protocol must be on file at the terminal prior to arriving for terminal services. Commodity(s) arriving at a *Progressive Rail Distribution* facility before receipt of a MSDS and Handling Protocol (as applicable) will be held subject to Track Occupancy Charges as specified in Item 140 and no transfers will be accomplished until this information arrives.

(Continued on next page)

RULES AND OTHER GOVERNING PROVISIONS GENERAL RULES AND REGULATIONS

ITEM 115 (Cont'd)

TERMINAL SERVICES; CONDITIONS; UNLOADING OF RAIL CARS: MAXIMUM TRANSFER CHARGES: BILLING

B. CONDITIONS OF TERMINAL SERVICES (Cont'd)

- Commodity(s) that PGR declines to handle under the charges, rules and regulations published herein may, at PGR's sole discretion, be handled under a separately negotiated contract.
- Terminal services are restricted to carloads involving PGR handling.

C. UNLOADING OF RAIL CARS

Subject to the maximum transfer charges set forth below, charges for unloading of railcars to trucks and unloading of trucks to railcars at a *Progressive Rail Distribution* facility will be determined on an individual basis by PGR *Progressive Rail Distribution* personnel. The handling characteristics of the commodity, manpower requirements and the transfer equipment required will determine the charges. Any truck detention charges incurred during the loading or unloading process and any overtime charges (Item 150) will be the responsibility of the shipper. However, charges for the services listed below shall be no greater than that set forth below. Further, any shipper may at any time communicate with PGR if it believes the transfer charges to be non-competitive based on market conditions.

D. MAXIMUM TRANSFER CHARGES

Applicable on shipments transferred from rail car to truck or from truck to rail car at the facilities listed in Item 110.

DRY OR LIQUID COMMODITIES, IN BULK

On commodities transferred in bulk, the following charges, subject to a minimum weight of 45,000 pounds per truckload per transfer, will be assessed for transfer at all *Progressive Rail Distribution* facilities:

DRY BULK

Mechanical Conveyor
or Auger Transfers.......\$825.00 per carload
Self-Loading / Self-unloading......\$ 75.00 per trailer
(Non-hazardous products only without aid
of PGR personnel or equipment)

LIQUID BULK

NOTE 1: The 49 Code of Federal Regulations, Table 172.101 (Hazardous Material Table), as may be revised from time to time, will be used to determine if a product is hazardous. PGR reserves the right to refuse to handle ANY commodity at a **Progressive Rail Distribution** facility. Only authorized PGR personnel may transfer hazardous commodities.

NOTE 2: Multiple commodities may be loaded in a compartmentalized trailer for a charge of \$60.00 for each additional commodity or compartment loaded.

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RULES AND OTHER GOVERNING PROVISIONS GENERAL RULES AND REGULATIONS

ITEM 115 (Cont'd)

TERMINAL SERVICES; CONDITIONS; UNLOADING OF RAIL CARS; MAXIMUM TRANSFER CHARGES; BILLING

D. MAXIMUM TRANSFER CHARGES (Cont'd)

LUMBER, BANDED, IN BUNDLES

To/from centerbeam cars	.\$6.40 / MBdFt (min. \$550/car)
To/from flat cars	.\$8.40 / MBdFt
To/from box cars	. \$7.50 / MBdFt
To/from trucks	.\$225 / truck

PANELS (E.G. PLYWOOD, OSB, PARTICLEBOARD, ETC.)

To/from centerbeam cars	\$5.50 / MSqFt	
To/from flat cars	\$7.50 / MSqFt	
To/from box cars	\$7.75 / MSqFt	(min. \$450/
		box car)
To/from trucks	\$225 / truck	

STEEL BEAMS, PIPE

To/from rail cars.....\$850 / carload (exclusive of specialized lifting equipment)

EQUIPMENT OR MACHINERY

To rail cars: \$600 / unit when 45,000 lbs. gross weight or

greater

\$400 / unit when 30,000 to 44,999 lbs. gross

weight

\$250 / unit when less than 30,000 lbs. gross

weight

Note: Rates for loading units of equipment or machinery to rail cars include two PGR personnel to load and tie down units to rail cars equipped with chains. Dunnage or blocking materials are not included and are subject to price quotations on an individual car basis.

ANCILLARY SERVICES

Re-banding bundles of lumber or panels Paper wrapping bundles of lumber or panels	
apor mapping banance or rambor or paners	bundle length
Moisture metering (lumber)	\$5.00 / MBdFt
Welding to secure loads (where required) ⁽¹⁾	\$120.00 /hour
Custom rigging to secure loads	\$150.00 / hour
(includes materials)	
Crane with operator (1)	
Front end loader with operator (1)	\$250.00 / hour
Conveyor with operator (1)	
Skid loader with operator (1)	\$75.00 / hour

⁽¹⁾ Rates include machine and operator only. Additional ground crew or laborers available at \$60.00 per hour.

Additional ancillary terminal services available upon request and subject to charges to be negotiated by the parties.

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RULES AND OTHER GOVERNING PROVISIONS GENERAL RULES AND REGULATIONS

ITEM 115 (Cont'd)

TERMINAL SERVICES; CONDITIONS; UNLOADING OF RAIL CARS; MAXIMUM TRANSFER CHARGES; BILLING

E. STORAGE

	COMMODITIES / CHARGES				
DAYS	Lumber (Inside)	Lumber (Outside)	Steel / Coils (Inside)	Steel / Coils (Outside)	Paper (Inside)
	Per MDdFT	Per MBdFt	Call for quote	Call for quote	Call for quote
1-30	FREE	FREE			
31-60	\$2.75	\$1.75			
61-90	\$3.00	\$2.00			
Over 90	\$3.25	\$2.25			

F. BILLING OF CHARGES

Unless arrangements to the contrary are made prior to shipment, charges for facility services described herein will be billed to the shipper or beneficial owner by PGR, including, but not limited to, Track Occupancy Charges (Item 140).

If credit privileges are granted (a determination made on an individual basis), terms of payment shall be in accordance with Item 110 of Tariff PGR 8000-Series.

ITEM 125

ADDITIONAL SERVICES

A. COMMODITY SAMPLING and INSPECTION

Transfer charges in Item 115 include the visual inspection of the exterior of the railcar and the exterior of the trailer. Top sampling of railcars must be agreed upon in advance by Shipper and PGR. Sample containers shall be provided by shipper at no cost to PGR.

PGR reserves the right to take samples of any commodity transferred at a *Progressive Rail Distribution* facility for its own purposes.

B. WEIGHING OF TRUCKS

When scale weights are desired, one complete set of weights will be provided at no charge. If additional weighing is requested, PGR will perform same at an additional charge of \$50.00 per occurence.

RULES AND OTHER GOVERNING PROVISIONS GENERAL RULES AND REGULATIONS

ITEM 130

TERMINAL LIABILITY

A. LOSS OF WEIGHT

Allowable transfer losses will be one percent (1%) of the weight of the commodity on a six-month (January-June, and July-December) cumulative basis per shipper, per *Progressive Rail Distribution* facility, and such loss will be considered standard operating loss not assessable against PGR (See note).

NOTE 1: Greater loss allowances may be required as a condition of acceptance for specific products when handling characteristics preclude complete unloading of the trailer or the railcar.

B. LIABILITY LIMITS

The liability of PGR with respect to activities in which it is engaged at a *Progressive Rail Distribution* facility shall be limited to the negligence of PGR in the performance of the services described in this tariff. Furthermore, PGR shall not be liable for consequential, indirect, special or punitive damages, interest, attorneys fees, or any amount in excess of product or car owner's actual loss concerning the commodity shipped or the equipment utilized.

C. CLAIMS

Only one claim for loss, damage and/or injury may be filed for each rail car handled under this tariff. No claim will be paid which is filed more than nine (9) months after product delivery or release of car from the terminal.

ITEM 140

TRACK OCCUPANCY CHARGES, DEMURRAGE, AND RELATED CHARGES

A. RAILROAD CAR DEMURRAGE

All railroad owned or controlled cars will be subject to demurrage under the provisions of Tariffs CPRS 6666-Series, UP 6004-Series, or PGR 6004-Series, as applicable.

B. NOTES AND OTHER CHARGES

NOTE 1: A private car is a railcar bearing other than railroad reporting marks and not controlled by a railroad. All cars of the TTX Company are railroad controlled cars.

NOTE 2: When a railcar is constructively or actually placed at a *Progressive Rail Distribution* facility and subsequently reshipped without any transfers having been made, a facility charge of \$500 will be assessed to the party issuing the reshipping instructions, in addition to all other applicable charges.

NOTE 3: Constructive placement is the date the railcar is available to be switched into the *Progressive Rail Distribution* facility. Actual placement is the date the railcar is physically placed in the *Progressive Rail Distribution* facility.

RULES AND OTHER GOVERNING PROVISIONS GENERAL RULES AND REGULATIONS

ITEM 150

HOURS OF SERVICE AND OVERTIME CHARGES

Normal working hours at *Progressive Rail Distribution* facilities are from 7:30 A.M. to 4:30 P.M., exclusive of Saturdays, Sundays and Holidays (See Item 185).

When service is required prior to 7:30 A.M. or after 4:30 P.M., arrangements must be made with PGR in advance. All loadings, unloadings, and services must be scheduled before 3 p.m. of the day before the day that loading, unloading, and service is needed. Every attempt will be made to accommodate emergencies and requested times, but loading spots and other circumstances may require occasional modifications of requested times. When loading, unloading, and services are to begin after 4 p.m., written authorization for overtime to complete the process (if required) must be submitted before the process begins. The charge for services before or after normal working hours will be at a rate of \$96.00 per person per hour or fraction thereof, in addition to all other applicable charges (See Exception).

For safety reasons, PGR *Progressive Rail Distribution* procedures require that at least two (2) terminal operator people be present during the transfer of any non-self load products. A truck driver on site qualifies as one of these people only if the product is a non-hazardous product. For self-load products only one (1) PGR employee is required or one (1) qualified truck driver will satisfy the safety requirement.

When service is requested at a *Progressive Rail Distribution* facility on Saturdays, Sundays or Holidays (See Item 185), or when terminal personnel are required to make an extra trip to the facility rather than performing continuous service, arrangements must be made in advance with PGR. The charge for this service will be \$120 per hour per person subject to a four (4) hour minimum per person, in addition to all other applicable charges for service provided.

Authorization for overtime must be received in writing from the party responsible for paying terminal service charges.

EXCEPTION: No additional charges will be assessed if the motor carrier is at the *Progressive Rail Distribution* facility and ready for loading before 4:30 P.M., and the delay causing the overtime is the fault of PGR.

RULES AND OTHER GOVERNING PROVISIONS GENERAL RULES AND REGULATIONS

ITEM 160

ORDER PLACING

The shipper or beneficial owner will be responsible for providing the *Progressive Rail Distribution* facility with the name of the motor carrier authorized to transport the product, along with product transfer instructions. Such instructions may be initiated verbally but must be confirmed via facsimile, written communication, or through electronic means. PGR will not be responsible for any problems concerning the shipment and performance of terminal services when PGR has not received facsimile confirmation or electronic communication covering each separate trailer from or to which commodity is transferred.

ITEM 165

RAIL CAR OR TRUCK ARRIVING AT TERMINAL WITHOUT FULL WRITTEN DESCRIPTION OF LADING

Any railcar or truck arriving at a *Progressive Rail Distribution* facility without full written description of lading will be held at shipper's expense awaiting adequate and proper description or further instructions on disposition of lading. If such written description shows that the commodity is not one approved for transfer, that railcar will be released to shipper for disposition, subject to all applicable terminal charges, along with any other charges to which PGR may be entitled.

ITEM 185

HOLIDAYS

Wherever in this tariff reference is made to "Holidays" it means the following:

New Years Day
U S Independence Day
Thanksgiving Day

Memorial Day
Labor Day
Christmas Day

Note: When a holiday occurs on a Saturday or Sunday, the following Monday will be observed as the holiday.

EXPLANATION OF ABBREVIATIONS AND
REFERENCE MARKS

ITEM 99999

EXPLANATION OF ABBREVIATIONS AND REFERENCE MARKS⁽¹⁾

<u>Abbreviation</u>	Explanation
BOE CDL CFR e.g. Etc. i.e. LB	Bureau of Explosives Commercial Driver's License Code of Federal Regulations For example Et cetra that is pound
LnFt MBdFt MSDS MSqFt N.A. OPSL	Lineal Foot 1000 Board Feet Material Safety Data Sheet 1000 Square Feet Not Applicable Official Railroad Station List,
OSB PGR PPE STB STCC	RAILINC. Agent Oriented strandboard Progressive Rail Inc. Personal Protective Equipment Surface Transportation Board Standard Transportation Commodity Code, RAILINC,
UFC viz.	Agent Uniform Freight Classification Committee, Agent namely
[A] [C] [1] [R] [NC]	Addition Cancelled Increase Reduction Brought forward without change
// / / / / / /	() P.C. \

^{(&}lt;u>Underscored</u> portion denotes addition change.)

⁽¹⁾ The two character state abbreviations used in this tariff are those adopted by the postal departments of the United States and Canada.