YREKA WESTERN RAILROAD COMPANY

FREIGHT TARIFF YW 8008

CONTAINING
LOCAL RATES
ON
FREIGHT ALL KINDS
ALSO
RULES, REGULATIONS, AND CHARGES
GOVERNING
SWITCHING
AT AND BETWEEN
STATIONS ON THE
YREKA WESTERN RAILROAD COMPANY

LOCAL FREIGHT TARIFF

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

ISSUED: JULY 7, 2006 EFFECTIVE: AUGUST 1, 2006

ISSUED BY:

Court Hammond, President Yreka Western Railroad Company 300 East Miner Street Yreka, CA 96097

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

FREIGHT TARIFF YW 8008

RULES AND OTHER GOVERNING PROVISIONS RULES AND REGULATIONS - GENERAL

ITEM 5

DESCRIPTION OF GOVERNING CLASSIFICATION AND EXCEPTIONS

The terms "Governing Classifications" and "Uniform Freight Classification" when used herein, mean: Uniform Freight Classification 6000-series, issued by National Railroad Freight Committee Agent.

ITEM 10

STATION LISTS AND CONDITIONS

This tariff is governed by Official Railroad Station List, Railinc, Agent, OPSL 6000-series, to the extent below:

PREPAY REQUIREMENTS AND STATION CONDITIONS

(a) For additions and abandonments of stations, and except as otherwise shown herein, for prepay requirements, changes in names of stations, restrictions as to acceptance or delivery of freight, and changes in station facilities.

When a station is abandoned as of a date specified in the above named tariff, the rates from and to such station as published in this tariff are inapplicable on and after that date.

GEOGRAPHIC LIST OF STATIONS

(b) For geographical locations of stations referred to in this tariff by station numbers.

STATION NUMBERS

(c) For the identification of stations when stations are shown or referred to by numbers in this tariff.

ITEM 20

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

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.

RULES AND OTHER GOVERNING PROVISIONS RULES AND REGULATIONS - GENERAL

ITEM 30

CONSECUTIVE NUMBERS

Where consecutive numbers are represented in this tariff by the first and last numbers connected by the word "to" or a hyphen, they will be understood to include both of the numbers shown.

If the first number only bears a reference mark, such reference mark also applies to the last number shown and to all numbers between the first and last numbers.

ITEM 50

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 sequence starting with A.

Example - Item 5-A cause's Item 5 and Item 10-B cancels. Item 10-A in a prior supplement, which in turn, cancelled Item 10.

RULES AND OTHER GOVERNING PROVISIONS RULES AND REGULATIONS - UNLIMITED

ITEM 100

DEMURRAGE AND CAR SERVICE REGULATIONS AND CHARGES

Demurrage and car service regulations and charges will apply in addition to the charges shown herein.

EXCEPTION - Where switching service is performed on traffic moving under line-haul rates which are subject to special detention charges and rules, the switching charges provided in this tariff will be subject to the same detention charges and rules as applicable in connection with the line-haul rates, and provisions of Freight Tariff ASLG 6004-series will not apply.

ITEM 110

CARS FURNISHED BUT NOT USED

Except as otherwise provided, when an empty car is (1) actually place or constructively placed for loading, but is not used in subsequent transportation service and is released empty, a charge of \$200.00 per car in addition to applicable demurrage charges will be made against the party ordering but not using the equipment.

EXCEPTION-This charge will not apply when cars are refused or rejected account of not being in proper condition for loading.

(1) The term actually placed or constructively placed as used herein is defined in Items 540 and 545-series of Freight Tariff ASLG 6004-series.

ITEM 120

CHARGES ON CARS RECEIVED WITHOUT BILLING, OR WITH IMPROPER BILLING AT INTERCHANGE POINTS

When cars empty or load are received at an interchange point by a carrier from its connection without proper billing (see Note), such cars will, upon the request of the delivering carrier, be returned, subject to a charge of \$100.00 per car for returning the loaded or empty car to the connections of the carrier making the request.

NOTE - When instructions are not received within twentyfour (24) hours from time of receipt of car at connection, a hold charge of \$50.00 per car will assessed thereafter for each twenty-four (24) hours or fraction thereof until instructions or billing is received.

SECTION 1 SWITCHING RULES AND OTHER GOVERNING PROVISIONS

ITEM 200

DEFINITION OF INTRA-PLANT, INTRA-TERMINAL AND INTER-TERMINAL SWITCHING

INTRA-PLANT

A switching movement from one location to another location within the confines of an industry located on the YW

INTRA-TERMINAL

A switching movement (other than intra-plant) from one location to another on the YW, within the switching limits of one station or industrial switching district.

INTER-TERMINAL

A switching movement between industry tracks on the YW and interchange with connecting lines when within the switching limits of the same location.

ITEM 210

OVERLOAD CARS

YW will not accept cars that are loaded in excess of load limit markings. When a car is found to be loaded in excess of its stenciled load limit while en route but before placement, it will be placed at or near location where overload is discovered and consignor requested to arrange for disposition, or at carriers' convenience it may be returned to the shipper for removal of the excess weight. For the extra service performed, the switching charge will be assessed which includes weighing. The regular switching charge will be in addition.

ITEM 220

FURNISHING CARS

YW will not undertake to furnish cars of any particular type, size or dimension when to be used in intra-plant, intra-terminal or inter-terminal switching.

ITEM 230

NON-APPLICABLE OF CHARGES IN CONNECTION WITH LINE-HAUL

The charges published in this Section will not apply in connection with a line-haul.

SECTION 1 SWITCHING RULES AND OTHER GOVERNING PROVISIONS

ITEM 240

NON-APPLICATION IN COMBINATION WITH OTHER CHARGES

The charges published in this Section will not apply in combination with other charges in this Section between locations on the same railroad.

ITEM 250

NON-APPLICATION ON "ORDER NOTIFY," ETC., SHIPMENTS

Intra-plant, Intra-terminal or Inter-terminal switching service provided for herein will not be performed on shipments moving under order notify bills of lading or under straight bills of lading (including shipments consigned to one party, notify or advise another party) which carry a provision (see Section 4, Rule 7 of Uniform Freight Classification) (See Item 5), requiring the surrender of bill of lading, written order, or other document before making delivery.

ITEM 290

CHARGE FOR USE OF SPECIAL EQUIPMENT

YW will not furnish cars that are other than ordinary equipment for use in intra-plant, intra-terminal or interterminal switching service. In the event other than ordinary equipment is used, an additional charge of \$300.00 will be assessed. On joint-line movements, this charge will be assessed only once (see Exception).

ORDINARY EQUIPMENT MEANS:

- XM boxcars not exceeding 52 feet in length, inside measurement.
- (2) FM flatcars, not over 54 feet in length and having capacity not over 180,000 pounds.
- (3) Gondola cars having marked capacity not greater than 180,000 pounds, but not including gondola cars of any length equipped with covers, hoods, containers or cradle floors.
- (4) Open-top hopper cars not exceeding 43 feet in length, inside measurement, and having marked capacity not exceeding 180,000 pounds.
- (5) Shipper owned or leased cars.

EXCEPTION - Provisions of this item do not apply on a movement immediately prior or subsequent to a revenue line-haul movement and notation so stating is made by shipper on shipping document.

SECTION 1 SWITCHING RULES AND OTHER GOVERNING PROVISIONS

ITEM 300

SWITCHING OF LOCOMOTIVES ON OWN WHEELS, BUT NOT UNDER OWN POWER

Locomotives moving on own wheels, but not under own power, when moved from one location to another location within the same switching district, will be assessed a charge of \$1000.00. If the locomotive is moved for turning, the charge will be applied in each direction.

ITEM 305

SPECIAL SWITCHING SERVICE

Special Switching Service is a movement in other than normal service at the specific request of the shipper or consignee, or as may be required due to other conditions not permitted in normal operations.

The charge for a special switching service will be a minimum of \$1000.00 for the first four hours, plus \$250 for each additional hour or fraction thereof over four (4) hours but not exceeding eight (8) hours per occurrence, and will be in addition to all other charges associated with the movement.

The time for the purposes of these charges is to be calculated from the time the crew goes on duty until the crew goes off duty.

(The railroad reserves the right to restrict or modify any request for special switching service.)

SECTION 1 SWITCHING RULES AND OTHER GOVERNING PROVISIONS

ITEM 310

CHARGE FOR HEAVY DUTY FLAT CARS

When heavy-duty flat cars as defined in Tariff RIC 6740series are used on shipments both originating and terminating within the same switching district, the following charges will be assessed:

USE CHARGE

\$1,000.00 per car switching movement (not subject to any other switching charges published in this tariff).

SPECIAL DETENTION CHARGES

When cars are held beyond the Free Time permitted in Tariff ASLG 6004-series, charges therein will be assessed and in addition the following detention charges will be assessed for each twenty-four (24) hour period or fraction thereof beyond the authorized free time:

CHARGES IN DOLLARS PER CAR

1ST 24 hours 2nd 24 hours 3rd 24 hours \$100.00 \$150.00 \$200.00 4th 24 hours \$250.00 5th 24 hours \$300.00 6th 24 hours and each subsequent

24 hours \$400.00

NON-USE CHARGE

When car is ordered, placed and released back to YW without being used in transportation service, a charge of \$500.00 per car will be assessed and will be in addition to any detention charges that may accrue.

ITEM 320

TURNING OF CARS TO PERMIT UNLOADING

PART 1

Applicable only on cars loaded and unloaded within the switching limits of the station (including adjacent or contiguous switching of industrial districts) involved.

(A) Except as provided in Paragraph (B), orders calling for placement of cars for unloading from a particular side or end will not be accepted when moving in intraplant, intra-terminal or inter-terminal service.

(Continued in next column)

SECTION 1 SWITCHING RULES AND OTHER GOVERNING **PROVISIONS**

ITEM 320 (Cont'd)

TURNING OF CARS TO PERMIT UNLOADING

PART 1 (Cont'd)

(B) Upon request of shipper for a car moving in intraterminal switching service to be placed for unloading from a particular side or end, the YW will perform such service at a charge of \$200.00 per car, which will be in addition to the applicable switching and special equipment penalty charge (See Note 1).

NOTE 1 - Applicable only where WYE is located within the switching limits of the station (including adjacent or contiguous switching or industrial districts where intraterminal switching charges are in effect) involved.

PART 2

1. In instances where is it desired that freight in carloads be placed on delivery tracks for loading or unloading at stopoff points or destination from one particular side or end of car, cars must be properly placarded on both sides and notation made on Bill of Lading and wavbill subsequently as follows:

Deliver car for unloading from the door or end specified by placard.

2. On freight in carloads, not properly placarded on both sides of car to unload from one particular side or end of car which shipper or consignee after initial placement of car, directs carrier to turn and return to the same track for unloading from opposite side or end of car, the following shall apply:

CHARGES (See Notes 1 and 2)

- (a) If the car is turned at a WYE or a turntable within the confines of an industry, apply published intra-plant switching charges, but in no case less that \$110.00
- (b) If the car is turned at a WYE or a turntable within the same switching district, but outside the confines of the industry. \$200.00.
- If the car must be moved to a WYE or a turntable located outside the switching district and the roundtrip distance to and from the WYE or the turntable is 100 miles or less. \$375.00.

NOTE 1 - If Bill of Lading carries a notation that car has been placarded and placard has disappeared before placement, the charge named therein will not apply.

NOTE 2 - If the line-haul rate is lower than the charge for turning of the car, the line-haul rate will be assessed.

FREIGHT TARIFF YW 8008

SECTION 1 SWITCHING RULES AND OTHER GOVERNING PROVISIONS

ITEM 330

CHARGES FOR INTRA-PLANT AND INTRA-TERMINAL SWITCHING

Except as otherwise provided herein, YW will assess the following charges in dollars per car for switching service as defined in Item 200.

INTRA-PLANT \$125.00

INTRA-TERMINAL

When in Shipper Owned or Leased Equipment - \$200.00 When in other than Shippers Equipment - \$300.00

SECTION 2 WEIGHING RULES AND OTHER GOVERNING PROVISIONS

ITEM 400

WEIGHING CHARGES

When a car is weighed or reweighed either empty or loaded at the request of either consignee, a charge of \$250.00 per car will be made each time the car is weighed, if scale is available.

SECTION 3 LOCAL RATES

ITEM 500

FREIGHT ALL KINDS

FREIGHT, ALL KINDS, when moving locally on the YW, will be moved at the rate of \$400.00 per car.

SECTION 4 RULE 11 RATES

ITEM 510

RULE 11 RATES

For traffic originating or terminating on the YW, the following rates will apply:

 All traffic, except veneer, wood chips, lumber, LPC,
 \$400.00 per car

 Veneer.
 \$300.00 per car

 Wood Chips.
 \$300.00 per car

 Lumber.
 \$300.00 per car

 LPC.
 \$500.00 per car

All rates apply except special rates under contract or UP CMA agreement.

FREIGHT TARIFF YW 8008

SECTION 5 FUEL SURCHARGE

ITEM 530

FUEL SURCHARGE

All traffic moving on YW, including items 500 and 510 are subject to a fuel surcharge, which is based on changes to the U.S. Retail On Highway Diesel Fuel ("HDF") prices for the Midwest. Base price is \$2.850 per gallon.

HDF Prices and changes are published online at:

http://tonto.eia.doe.gov/oog/info/wohdp/diesel.asp

The surcharge for a given month will be calculated based on the average HDF price published on each Monday of the preceding month.

If the average HDF price is above \$2.850 per gallon, the corresponding percentage (shown below) will be added to the rates stated in items 330, 500 and 510.

| Monthly Avg. HDF Price Range | Surcharge |
|---------------------------------|-----------|
| \$2.851 to \$2.900 | 0.5% |
| \$2.901 to \$2.950 | 1.0% |
| \$2.951 to \$3.000 | 1.5% |
| \$3.001 to \$3.050 | 2.0% |
| \$3.051 to \$3.100 | 2.5% |
| \$3.101 to \$3.150 | 3.0% |
| \$3.151 to \$3.200 | 3.5% |
| \$3.201 to \$3.250 | 4.0% |
| \$3.251 to \$3.300 | 4.5% |

Each \$0.05 per gallon increase there after apply an additional .5%

EXPLANATION OF ABBREVIATIONS AND REFERENCE MARKS

YW - Yreka Western Railroad Company

UP - Union Pacific Railroad

OPSL - Open and Prepay Station List
CMA - Cooperative Marketing Agreement

FT - Freight Tariff

UFC - Uniform Freight Classification

& - And \$ - Dollars

[I] - Denotes Increase [R] - Denotes Reduction

[NC] - Denotes change in wording which results in neither an increase nor

reduction