

**CSX TRANSPORTATION TERMS FOR THE *bid*CSX PROGRAM**  
**OFFERING TERMS AND CONDITIONS**  
**Jumbo Covered Hoppers**

CSX TRANSPORTATION now offers a car auction program called *bid*CSX for certain equipment types and commodities to provide customers with an increased priority in the supply of empty cars. Customers have the opportunity to periodically bid on empty cars in order to increase their likelihood of receiving an allocation of equipment for loading at their facilities:

1. **Eligibility.** Only consignors that are located on CSXT, open to switch to CSXT or Shortlines that connect to CSXT (“CSXT Shortlines”) are eligible.
2. **Participation Requirements.** In order to participate in the bidCSX Program customers must:
  - a. Ship linehaul traffic via CSXT under a published and active rate authority.
  - b. Use ShipCSX or EDI to transact business with CSXT
  - c. Have access to an e-mail account
  - d. Have the ability to wire the bid amount
3. **Eligible Car Types.** The car type auctioned will be Jumbo Covered Hoppers as identified in the auction profile in ShipCSX. Up to three hundred Jumbo Covered Hoppers will be available in the program on a weekly basis.
4. **Commodities Restriction.** Customers may bid on cars only if they intend to ship the following commodities:
  - a. STCC No. 0113 – Grain
  - b. STCC No. 0114 – Oilseeds
  - c. STCC No. 0115 – Field Seeds
  - d. STCC No. 20914 - Cottonseed Cake or Meal or By-Products
  - e. STCC No. 20923 - Soybean Cake, Flour, Grits, Meal or Other By-Products
  - f. STCC No. 20939 - Nut or Vegetable Oilseed Cake or Meal or Other By-Products
  - g. STCC No. 2042142 - Hominy Feed
5. **Bid Parameters.**
  - a. Minimum bids are five (5) cars per week.
  - b. Total number of cars requested each week cannot exceed the lesser of 50 cars per week or the number of cars limited by the customer's or CSXT's operational or physical constraints.
  - c. Maximum number of cars that may be purchased by a single Corporation (including subsidiaries) is 150 per week.
  - d. Valid bids must request the same number of cars in each of the four weeks of the Placement Period. (i.e., If you bid on 40 cars for the period, each week's bid should equal 10.)
  - e. The number of cars ordered in on ShipCSX car order auction profile cannot exceed the number of cars awarded.

6. **Bid Amounts.** Bid amount is defined as the amount a customer is willing to pay for securing the rights associated with the offering. The minimum “bid amount” is initially \$100 per car.
7. **Bidding Period.** Bidding Period is defined as a 3-day period in which customers may submit their “bid amount” to the Auction Manager using the electronic “Bid Form” found on the ShipCSX website.
8. **Placement Period.** Placement Period is defined as a four-week period during which CSXT will provide empty cars for loading as specified by the auction offering.
9. **Placing a Bid.**
  - a. Customers may only bid on cars for the Placement Period that immediately follows the Bid Period.
  - b. Customers need to log into their ShipCSX account in order to place bids.
  - c. If customers log into their ShipCSX account and do not see auction info, please call 877-ShipCSX for assistance.
  - d. Only bids using the electronic “Bid Form” will be accepted. The submission of the “Bid Form” constitutes agreement to the terms and conditions of this offering.
10. **Determination of winning bids.** Cars will be allocated to the highest bidder. If there are identical bids, then the winning bidder will be the one that was received first, based on the timestamp.
11. **Award notification.** Award notifications will be sent to the e-mail address submitted on the bid form. All bidders will be notified of the outcome of the auction via e-mail on the Monday following the close of the Bidding Period.

12. **Winner Responsibilities.**

**Placing Car Orders in ShipCSX**

- a. Once the total bid amount has been wired to CSX’s bank, winning bidders must then place their order in ShipCSX under their auction profile.
- b. Winning bidders will have two profiles – a regular order profile and an auction profile.
- c. Under the auction profile, customers’ orders must equal the number of cars per week as requested in the auction.
- d. If assistance is needed setting up car profile please contact your Sales Representative or Car Representative.

**Payment**

- e. Successful bidders are required to wire transfer monies equaling their **bid amount(s) multiplied by the number of cars awarded** to CSX’s bank:
  - i. CSX Transportation, Inc
  - ii. ABA: 072000326
  - iii. Acct: 12597-53
  - iv. Bank: Bank One, N. A. Detroit, MI
  - v. Wire transfers must indicate that the payment is for the  program.
- f. Wire transfers must be received by close of business on the Wednesday following bid notification.
- g. Freight charges will be billed separately.

### **Requesting Carry-Over Orders**

- h. Should CSXT not place the amount of cars awarded for a certain week the customer may choose to “carry-over” these unplaced cars to the following week’s order.
- i. If they choose to carry-over, then the first cars placed during next week will be applied towards the carry-over order.
- j. For carry-over cars, customers should not enter a new order, but simply inform the Auction Manager of the request.
- k. Cars may not be carried over past the week following the end of the placement period (5<sup>th</sup> week). If carry-over cars are not placed by the end of the 5<sup>th</sup> week, a refund for those unplaced cars will automatically be processed.

### **13. Non-payment of winning bids.**

- a. Winners are responsible for prompt and complete payment of **all** bids awarded.
- b. If a customer fails to wire the payment for **all** bids awarded, then CSX reserves the right to:
  - i. Cancel all bids / orders for that particular placement period
  - ii. Limit customer participation from future bidCSX auctions.

### **14. Transfer or trading of auction cars.** Auction winners may not transfer or trade their priority rights on car supply to other customers or other locations.

### **15. Customer cancellation of auction orders.** If an auction winner cancels the car orders after the bid amount has been wired or does not load cars after placement, then the bid amount will be forfeited (non-refundable).

### **16. bidCSX Refund Policy.** If CSXT fails to deliver the requested number of cars against the car order auction profile during the placement week, the customer may be eligible for a refund for the cars not placed.

- a. In order to receive a refund for unplaced cars, the **customer must submit an electronic claim form located on the bidCSX webpage within 2 weeks of the close of the placement period.**
- b. Once the required forms are submitted and approved, a refund check for the eligible amount will be sent during the next auction cycle.

### **17. CSXT’s Obligation Fulfillment.** CSXT’s obligation as specified by the **bidCSX** Program is fulfilled when CSXT places the number of cars awarded from the auction for each placement week. The first cars placed will count against the total auction order (ShipCSX may show the same cars filling both regular and auction orders). A car is considered placed, and CSXT’s obligation as

specified by the **bidCSX** Program fulfilled, when:

- a. For CSXT served customers, a car is actually placed or constructively placed;
- b. For Customers served by reciprocal switch or via a connecting shortline, CSXT makes a car available for interchange to the serving railroad. CSXT is not responsible for the equipment delivery once the car is made available for interchange;
- c. Customers are unable or refuse to take delivery of the cars.

### **18. CSXT Commitment.** CSXT does not guarantee car supply to auction winners. However, CSXT will guarantee money back for each car short of any weekly allotment within a Placement Period.

19. **Car Suitability.** If a car is not suitable for loading, CSXT will refund the bid amount to the customer for that car.
20. **Transportation Rates.** CSXT may increase transportation rates during the Placement Period. An auction winner may cancel all, but not some, orders if CSXT raises transportation rates between Payment Date and end of the Placement Period.
21. **bidCSX Rules.** All rules included in CSXT 8100, including provisions relating to demurrage and other supplemental charges, will apply to the *bid***CSX** Program.
22. **Customer Compliance with Terms and Conditions.** A customer's failure to comply with the above terms of agreement will result in the voidance of its priority order. The *bid***CSX** Program is for the sole benefit of the customer and CSXT, and no third party is intended to be a beneficiary of these arrangements.
23. **Dispute or Claims.** Any dispute or claim concerning the observance or performance of any of the terms or conditions will be referred to the American Arbitration Association (AAA) for binding resolution pursuant to its Commercial Arbitration Rules. In any resulting arbitration, each party shall bear its own attorneys' fees, expenses and costs and the fees of the AAA shall be shared equally by the parties. Any court having appropriate jurisdiction may enter judgment on the arbitration award.