



CIRCULAR CSXT 8082

RULES REGARDING THE
TRANSPORTATION OF SOLID FUEL IN
PRIVATE CARS PURSUANT TO RAILROAD
TRANSPORTATION CONTRACTS

CSX TRANSPORTATION, INC.
COAL DEPARTMENT
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CIRCULAR CSXT 8082

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SECTION 1 - GENERAL RULES

ITEM 1000 PURPOSE

The purpose of this Circular is to provide a series of rules to improve the productivity of Private Cars supplied by Receivers and used for the transportation of Solid Fuels by CSXT in Unit Train service.

ITEM 1100 DEFINITIONS

As used in this Circular, the following words are defined as follows:

AAR - means the Association of American Railroads.

Actual Placement - means the time that a Unit Train was actually placed at the Origin or Destination.

Annual Volume Estimate – shall have the meaning set forth in Item 4000 of this Circular.

Certification – shall have the meaning set forth in Item 8000 of this Circular.

Circular - means this Circular CSXT 8082 Series, as amended, modified or superseded.

Constructive Placement - means the time that a Unit Train was held short of Actual Placement at the Origin or Destination due to actions or inactions of the Shipper or Receiver.

Contract(s) - means a railroad transportation contract or contracts between CSXT and Receiver for the rail transportation of Solid Fuel by CSXT in Private Car Unit Trains.

CSXT - means CSX Transportation, Inc. and its successors.

Destination - means the rail station and sidetracks where Private Cars are placed for unloading, as provided in a Contract.

FRA - means the Federal Railroad Administration.

Interchange Rules – means the AAR Interchange Rules, as contained in both the Field Manual of the AAR Interchange Rules and the Office Manual of the AAR Interchange Rules, both as amended, modified or superseded.

Miners' Holidays – means days in the months of June and July when Solid Fuel is not loaded into railcars at an Origin identified in a Contract due to a planned holiday at the mine or loading facility.

Origin - means the rail station and sidetracks where Private Cars are placed for loading, as provided in a Contract.

Private Car(s) - means aluminum or steel gondolas, hoppers and rapid discharge hoppers owned or leased by Receiver with private reporting marks, used in the transportation of Solid Fuel in Unit Train service by CSXT.

Ratable – shall have the meaning set forth in Item 4100 of this Circular.



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SECTION 1 - GENERAL RULES - Continued

ITEM 1100 DEFINITIONS – Continued

Rate District(s) - means the grouping of Origins for rate purposes, as contained in Tariff CSXT 8200 Series, as amended, modified or superseded.

Receiver - means the party to the Contract incorporating this Circular and also shown on each Bill of Lading as the consignee of the Solid Fuel shipments.

Reconciliation Statement – shall have the meaning set forth in Item 10200 of this Circular.

Release – shall mean the time of day when a Shipper or Receiver indicates in the ShipCSX Release Tool that a train has been released to CSXT.

ShipCSX – means the CSXT internet based tool provided to Shippers and Receivers to manage, schedule and trace Unit Trains, including any successor systems to ShipCSX.

Shipper - means the party shown on each Bill of Lading as the consignor of the Solid Fuel shipments that are subject to this Circular.

Solid Fuel - means coal, having a Standard Transportation Commodity Code (STCC) number beginning “112” and Petroleum Coke having a STCC number beginning “299”, all as set forth in the Standard Transportation Commodity Code Circular STCC 6001 Series.

Ton(s) - means 2,000 pounds of Solid Fuel avoirdupois.

Transit Time Standards - means the Transit Time standards contained in Section 10 of this Circular.

Unit Train - means a minimum number of Private Cars, as provided in the Contract, of Solid Fuel moving in one train from one Origin to one Destination

ITEM 1300 PRIVATE CAR SERVICE

CSXT prefers that Solid Fuel be transported by CSXT in Private Cars when in Unit Train service and when the unloading at Destination is performed by the freight payer. CSXT encourages the use of aluminum gondolas as Private Cars due to the high lading capacity of such cars.

Other types of open top railcars of aluminum and/or steel construction may also be used as Private Cars when specified in the applicable Contract.

ITEM 1400 APPLICABILITY

This Circular applies only where it is incorporated by reference into a Contract using the specific number of this Circular, i.e., Circular CSXT 8082. This Circular applies only when Private Cars are on CSXT rail lines. This Circular does not apply when Private Cars are on the lines of another railroad in either linehaul or switch service, unless expressly provided for in the Contract.



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SECTION 1 - GENERAL RULES - Continued

ITEM 1500 INCORPORATION

The applicable, non-conflicting provisions of CSXT Tariff 8200 Series, Public Price List CSXT 6051 Series and Private Price List CSXT 1500 Series, as amended, supplemented, are incorporated herein by reference. In case of conflict between the provisions of a Contract and other CSXT tariffs, circulars, publications, etc, the following control order shall apply; 1) the Contract as it incorporates this Circular 8082, 2) Tariff CSXT 8200 Series, 3) Public Price List CSXT 6051 Series, 4) Private Price List CSXT 1500 Series, and 5) other tariffs, circulars, publications, etc.

ITEM 1600 EXCLUSIONS

This Circular is a general rules Circular, except as otherwise provided herein. This Circular does not contain rates, routes, Rate Districts, volume, or liquidated damages. Such subjects are contained in Contract(s), other tariffs, publications and circulars.



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SECTION 2 – PRIVATE CAR RULES

ITEM 2000 OT-5 AUTHORITY

All Private Cars must have AAR OT-5 approval from CSXT prior to their movement on CSXT's rail lines. CSXT reserves the right, in its sole discretion, to approve or disapprove any OT-5 application.

ITEM 2100 PRIVATE CAR FLEET SIZING

Receiver shall provide the number of Private Cars in its fleet required by the applicable Contract. CSXT reserves the right not to utilize Private Cars if Receiver's loading schedule is less than Receiver's private car fleet capability. In such event, CSXT may require Receiver to store Private Cars off of CSXT property, at Receiver's sole expense, until such time that Private Cars are again needed.

Should a Receiver desire to change the number of Private Cars and Unit Trains provided by Receiver, Receiver shall provide not less than 6 months advance written notice to CSXT of the proposed change and obtain the written approval of CSXT before doing so.

ITEM 2200 SUFFICIENCY AND COMPATIBILITY OF SPARE PRIVATE CARS

Receiver shall furnish a sufficient number of spare Private Cars in order to keep Unit Trains at levels required in the Contract. CSXT reserves the right, based on the condition and the repair frequency of Receiver's Private Cars, to have Private Cars with a high frequency of repair removed from service. Private Cars removed from service will not count towards the required contractual fleet size.

If Receiver has more than one type of Private Car in its Private Car fleet, Receiver will exercise best efforts to make all spare Private Cars compatible and suitable for use with all types of Private Cars contained in Receiver's fleet.

ITEM 2300 NO MILEAGE/PER DIEM PAYMENTS

CSXT shall not be liable for any mileage payments or per diem charges to any party while Private Cars are in the possession of CSXT.

ITEM 2400 PRIVATE CAR INVENTORY

Receiver shall supply the following information quarterly (as provided in Section 8): (i) the number of Private Car Unit Train sets; (ii) the number of Private Cars in each Unit Train set, and (iii) the number of spare Private Cars available for use in the Unit Trains.

ITEM 2500 SWITCHING OF PRIVATE CARS ON CSXT TRACKS

CSXT will provide switching services to fill out empty Private Car trainsets to minimum train sizes when needed as a result of Private Cars removed from trainsets due to mechanical bad orders, or other reasons determined to be ordinary and customary by CSXT. All other switching services performed on Private Cars, such as car stripe alignment, train set purification and miscellaneous switching to support program maintenance will be subject to charges contained in Tariff CSXT 8200-Series.



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SECTION 2 – PRIVATE CAR RULES - Continued

ITEM 2600 STORAGE OF SPARE PRIVATE CARS ON CSXT TRACKS

In order to improve the productivity of Private Cars, CSXT reserves the right to decline a request from Receiver to store spare Private Cars on CSXT tracks. The storage of Private Cars on CSXT tracks shall be subject to CSXT's prior approval. The location of any such storage shall be determined by CSXT and located on the normal route of movement of Receiver's. The charge for the storage of such spare Private Cars by CSXT is five dollars (\$5.00) per car per day, or fraction thereof.

ITEM 2700 CAPACITY AND CONSTRUCTION TYPE OF PRIVATE CARS AFTER JULY 1, 2008

Unless otherwise provided in a Contract, effective July 1, 2008, all Private Cars added to a Receiver's fleet must:

- a) have a load limit of not less than 115 Tons of Solid Fuel;
 - b) not exceed a tare weight of 50,000 pounds;
 - c) have a minimum volume capacity of 4000 cubic feet of Solid Fuel;
 - d) be capable of achieving a maximum gross weight on rail (including the weight of the Solid Fuel and the Private Car) of 286,000 pounds.
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ITEM 2800 CONTRACT TERM

Unless otherwise specified in the applicable Contract, the Private Cars must remain in service for the entire term of that Contract.



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SECTION 3 – CERTIFIED SELF INSPECTION DESTINATION

ITEM 3000 CERTIFIED SELF INSPECTION DESTINATION

A Receiver that has sufficient private sidetrack capacity at a Destination is encouraged to become a certified self inspection destination.

A certified self inspection destination Receiver must perform or provide all of the following with respect to its Private Cars at the relevant Destination(s) according to AAR and FRA standards:

- a. Unloading of each Unit Train.
- b. Initial Terminal Mechanical inspection of each Unit Train per 49 CFR Part 215.
- c. Safety Appliance inspection per 49 CFR Part 231.
- d. Class 1 Brake Testing per 49 CFR Section 232.203, including placing the air slip on locomotives and notifying CSXT crews.
- e. Proper coupling of A and B ends of Private Cars for rotary dump Unit Trains.
- f. Use ShipCSX and related technology in releasing Unit Trains to CSXT.
- g. Sufficient capacity at Destination for storage of all spare Private Cars.
- h. Maintenance and repair of Private Cars at Destination.
- i. Processing of all mechanical related billing according to AAR standards.
- j. Release of completed, assembled empty Unit Trains that are properly sized for the next movement.

There are qualifications, certifications, etc. that will be required with respect to the work performed in this Item.



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SECTION 4 – ANNUAL VOLUME AND RATABILITY

ITEM 4000 ANNUAL VOLUME ESTIMATE

On or before July 1 of each year, or within 20 days of the effective date of a Contract if after July 1, Receiver shall provide CSXT with a written estimate of the Tons of Solid Fuel that the Receiver expects to be transported by CSXT in the following calendar year, by Origin (or Origin Rate District)/Destination pair, month and railcar type, (the “Annual Volume Estimate”), in the following format:

Sample Annual Volume Estimate

<u>Month</u>	<u>Origin or Origin Rate District</u>	<u>Destination*</u>	<u>Monthly Tons</u>	<u>Tons transported in Private Cars</u>	<u>Tons transported in CSXT Cars</u>	<u>Tons transported in other Cars</u>
January	Kanawha	#1	100,000	80,000	20,000	0
January	Big Sandy	#1	200,000	200,000	0	0
January	Harlan	#1	50,000	0	50,000	0
January	Kanawha	#2	50,000	50,000	0	0
January	Big Sandy	#2	75,000	75,000	0	0
January	Hazard	#2	100,000	0	100,000	0
February	Big Sandy	#1	200,000	130,000	70,000	0
February	Harlan	#1	150,000	150,000	0	0
February	Kanawha	#2	75,000	75,000	0	0
February	Big Sandy	#2	75,000	50,000	25,000	0
February	Hazard	#2	75,000	0	75,000	0

Continue for the entire year.....

*Where #1, #2, etc. represent Receiver’s individual plants.

ITEM 4100 RATABLE SHIPMENTS

All Unit Train schedules for the transportation of Solid Fuel in Private Cars pursuant to a Contract shall be ratable for each calendar month for a particular Receiver. For the purposes of this Circular, ratable means that the aforementioned Unit Train schedules during each calendar month must be within ten percent (10%), plus or minus, of one-twelfth of the Annual Volume Estimate. This requirement may be prorated in June and July, taking into account the number of Miners’ Holidays in each month.



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SECTION 5 – EMPTY CAR MOVEMENTS

ITEM 5000 EMPTY PRIVATE CAR MOVEMENTS AND ASSEMBLY

Empty Private Cars shall be moved and/or assembled by CSXT as follows:

- a. Empty Private Cars Entering CSXT Service: Empty Private Cars coming onto CSXT lines prior to initial loading or with no record of loading on CSXT within the immediately preceding ninety (90) days will be moved by CSXT to the initial Origin at the applicable charge contained in CSXT Public Price List 6051 Series.
- b. Empty Cars Moving for Repair on CSXT: After initial loading, empty Private Cars that are moved by CSXT to or from a repair shop that is located on the normal route of movement shall be moved at no charge while on CSXT lines only if the Private Cars are moved in Unit Train quantities, as defined in the Receiver's Contract with CSXT.

Non-Unit Train movements of empty Private Cars moving to or from repair shops on the normal route of movement or otherwise, will be charged for empty moves provided in Private Price List CSXT 1500 Series. Unit Train movements of empty Private Cars moving to or from repair shops not on the normal route of movement will be charged for empty moves as provided in Private Price List CSXT 1500 Series.

- c. Assembly of Empty Private Cars: If CSXT is requested to assemble empty Private Cars that have been sold or are subject to a lease termination, CSXT shall assess the applicable assembly charge contained in CSXT Tariff 8200 Series for such assembly.
 - d. Empty Private Cars Leaving CSXT Service: In addition to assembly charges that may be due under subsection c above, empty Private Cars already in Unit Trains that are sold or are subject to a lease termination shall be moved by CSXT to a location on the CSXT network designated by Receiver or owner at no charge while on CSXT (providing the cars have not been in storage for in excess of 90 days). Empty Private Cars that are sold or subject to lease termination and are moved in less than Unit Train quantities will be subject to empty movement charges as provided in CSXT Public Price List 6051 Series. If the empty Private Cars are then moved by CSXT to another location designated by Receiver or owner, the applicable movement charge contained in CSXT Private Price List 6051 Series may apply.
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SECTION 6 – PRIVATE CAR POOLS

ITEM 6000 PRIVATE CAR POOL ASSIGNMENT AND REVISIONS

In order to ensure efficient utilization of Private Cars, CSXT will work with the Receiver to assign each Private Car to a shipper pool, once Private Cars are in service on CSXT. A pool is a term applied to a group of Receiver's Private Cars that have been assigned the same numerical identification code by or through CSXT (Pool Code). The Pool Code can assist Receivers in tracing and managing Private Car Unit Trains, straggler Private Cars and Private Cars that are undergoing repair. Pool Code information enables CSXT to more efficiently identify and use a Receiver's spare Private Cars to fill out Receiver's Unit Trains and to separate Receiver's Private Cars from other CSXT customer's fleets.

The movement of empty Private Cars having no Pool Code, no instructions for the next loaded move, and having no designated storage location, will be subject to charges as provided in Public Price List CSXT 6051 Series.

To ensure the integrity of the inventory of Private Cars in each pool, Receivers shall provide CSXT with immediate and continuing written updates on any Private Cars that may be added to or subtracted from Receiver's service. To that end, the following information shall be provided to CSXT by Receiver when Private Cars are placed in service on CSXT, or when Private Cars leave Receiver's service on CSXT.

- a. the number and reporting marks of Receiver's Private Cars;
- b. the number and reporting marks of each Private Car that is added to Receiver's service;
- c. the number and reporting marks of each Private Car that is deleted from Receiver's service.

Receiver shall not be required to comply with the written updating obligations of this Item until CSXT has implemented an internet based tool to assist Receiver in providing information to CSXT.



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SECTION 7 – PRIVATE CAR MAINTENANCE AND REPAIR

ITEM 7000 PRIVATE CAR MAINTENANCE AND REPAIR

Maintenance and repair of Private Cars are subject to the Interchange Rules and are the responsibility of the Receiver.

ITEM 7100 QUARTERLY INSPECTION AND PREVENTATIVE MAINTENANCE PROGRAM

Each Receiver shall have and maintain an inspection and preventative maintenance program for all Private Cars that are used to transport any Solid Fuel pursuant to a Contract. Receiver shall certify compliance with this provision as provided in Section 8.

ITEM 7200 UPDATING OF UMLER RECORDS

Receiver or Receiver's agent shall comply with the AAR Interchange Rules with respect to the updating of UMLER records. The overloading or misrouting of Private Cars, or other consequences of a failure to promptly update UMLER records, may result in additional charges as provided in Public Price List CSXT 6051 Series or other applicable publications.



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SECTION 8 – CERTIFICATION

ITEM 8000 CERTIFICATION

This Item 8000 will apply once CSXT has provided Receiver notice of the rollout of electronic tools (i.e. the CSXT Coal Reservation, SHIPCSX, etc) to aid Receiver's submission of Certification information required in this Section.

Receiver shall provide a quarterly statement (a "Certification") to CSXT certifying that all private car parameters agreed to in a Contract with CSXT have been met by Receiver. The Contract Certification must include:

- a) Receiver's Private Car Inventory as provided in Item 2400, PRIVATE CAR INVENTORY.
- b) A statement demonstrating that Receiver's Unit Train schedules are ratable as provided in Item 4100, RATABLE SHIPMENTS.
- c) A statement confirming that data in the Private Car Pool system has been updated as appropriate, and as provided in Section 6.
- d) A statement confirming that Receiver has complied with Item 7100, QUARTERLY INSPECTION AND PREVENTATIVE MAINTENANCE PROGRAM.

Receiver shall submit the foregoing Certification to CSXT four times per year on January 10th, April 10th, July 10th and October 10th, covering information for the prior three calendar months.

If Receiver's Certification indicates that Receiver has not complied with the requirements of each Contract, then CSXT has the right to void any Transit Time Remedies available to Receiver that would otherwise apply pursuant to Section 10, TRANSIT TIME STANDARDS, for the months when Receiver did not comply with the requirements of each Contract.



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SECTION 9 – PRIVATE CAR DAMAGE OR DESTRUCTION

ITEM 9000 DAMAGE OR DESTRUCTION; AAR INTERCHANGE RULES

The AAR Interchange Rules shall govern the notification, handling and administration of, and responsibility for, damage to or destruction of Private Cars while on CSXT's lines.

ITEM 9100 DAMAGE OR DESTRUCTION DUE TO DEFECT

If damage or destruction of any Private Cars occurs under circumstances in which the AAR Interchange Rules make CSXT responsible for such damage or destruction, and that damage or destruction results from a defect in the materials, workmanship or design of a Private Car, CSXT shall be assigned all rights the Receiver may have against the seller, lessor or manufacturer of the Private Car.

ITEM 9200 SPARE AND SUBSTITUTE CARS

If Private Cars are damaged and cannot be returned to service expeditiously, or are destroyed, Receiver will make available suitable substitute spare Private Cars as provided in Item 2200. If the spare Private Cars required of Receiver are already in service and unavailable, Receiver shall act promptly to obtain replacement Private Cars by lease or purchase as soon as reasonably possible.

In the event CSXT damages or destroys Private Cars under circumstances where CSXT is responsible for such damage or destruction under the AAR Interchange Rules, and the spare Private Cars required of Receiver are already in service and unavailable, CSXT will, as soon as practicable, provide spare CSXT cars if available, to complete and fill out an affected Unit Train to the size it would have otherwise been but for the damage to the Private Car(s). The private car rate or discount provided for in the applicable Contract shall be applied to CSXT cars so provided. If a sufficient number of compatible spare CSXT Cars are not available, CSXT will charge Receiver the applicable Unit Train rate, as provided in the Contract, for the number of Private Cars and CSXT cars that are actually transported in the Unit Train. In that event, and for Minimal Annual Volume purposes, only the actual number of Tons of Solid Fuel transported in the Unit Train shall qualify.

CSXT obligations above will, as to a given Private Car, continue only until one of the following events or responses has occurred: 1) one hundred twenty (120) days from the date CSXT damages or destroys the Private Car, 2) return of the repaired Private Car to Receiver, or 3) CSXT has made payment of the settlement value of the destroyed Private Car as required under the AAR Interchange Rules.

ITEM 9300 OFF-LINE DAMAGE

Receiver shall be responsible for all damages to or destruction of Private Cars occurring off CSXT's line; at origin, destination, storage area, repair shop or otherwise, except to the extent the damage or destruction is caused by CSXT's negligent conduct.



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SECTION 10 – TRANSIT TIME STANDARDS

ITEM 10000 TRANSIT TIME STANDARDS

The following Transit Time Standards shall apply only when expressly incorporated into a Contract by reference to this Section 10, and only if Receiver has submitted the certification provided for in Item 8000, PRIVATE CAR CERTIFICATION, in full and when required. In addition, only loaded or empty Unit Train movements of Private Cars transported solely by CSXT from Origin to Destination without the participation of another railroad shall qualify for application of the following Transit Time Standards. The Origins or Rate Districts and Destinations as to which the Transit Time Standards are to be applied shall be provided for in the associated Contract.

- a. Cycle Time Measurements: For the purposes of administering these Transit Time Standards, the following measurements and definitions apply:
 - 1) Standard Cycle Time Days: The Standard Cycle Time Days for Unit Trains moving from a Destination to an Origin and back to the same Destination shall be established in the associated Contract, in terms of days or fractions thereof. Standard Cycle Time Days for Unit Trains moving from a Destination to an Origin for loading and then routed to another Destination, shall be the sum of one half of the Standard Cycle Time Days established for each of the Destination/Origin combinations.
 - 2) Actual Cycle Time Days: For each movement of a Unit Train from a Destination to an Origin and from that Origin to the same Destination (a "Cycle"), the number of days, hours and minutes (the "Actual Cycle Time Days") for the purposes of these Transit Time Standards shall be calculated as follows:
 - a) If an empty Unit Train is routed from a Destination to an Origin for loading and returned to the same Destination, the Actual Cycle Time Days shall be calculated as the combination of the elapsed time between (i) the actual time of Release of the empty Unit Train from the Destination until Actual or Constructive Placement at the Origin, and (ii) the actual time of Release of the loaded Unit Train from the Origin until the time of Actual or Constructive Placement at the same Destination.
 - b) If an empty Unit Train is routed from a Destination to an Origin for loading and then routed to another Destination, the Actual Cycle Time Days shall be calculated as the combination of the elapsed time between: (i) the actual time of Release of the empty Unit Train from the Destination until the time of Actual or Constructive Placement at the Origin, and (ii) the actual time of Release of the loaded Unit Train from the Origin until the time of Actual or Constructive Placement at the other Destination.
 - c) The time required for loading a Unit Train at an Origin and the time required to unload a Unit Train at a Destination shall be excluded from the calculation of the Actual Cycle Time Days.



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SECTION 10 – TRANSIT TIME STANDARDS - Continued

ITEM 10000 TRANSIT TIME STANDARDS - Continued

- 3) Adjusted Cycle Time Days: Actual Cycle Time Days for a given Unit Train movement shall be adjusted (hereinafter, the “Adjusted Cycle Time Days”) by the amount of time, in days, hours and minutes, affected by any of the following events:
 - a) Force Majeure condition, as described in the Contract(s), affecting either CSXT or Receiver if any such occurrences are six (6) hours or greater.
 - b) Inspections, special switching or special weighing requested by or on behalf of Receiver.
 - c) Holidays: In the event that CSXT operations on a route of movement of Unit Trains moving under the Contract are shutdown or delayed due to Holidays, an adjustment shall be made for the actual amount of any delays (including re-crewing). Holidays are: New Year’s Day; President’s Day; Easter; Memorial Day; Independence Day; Labor Day; Veteran’s Day; Thanksgiving; Day after Thanksgiving; Day before Christmas; Christmas; Day before New Year’s Day and any day comprising a Miners’ Holiday for a train(s) which CSXT is unable to deliver to an Origin for loading due to the Origin’s observance of a Miners’ Holiday.
 - d) Car maintenance requested by or on behalf of Receiver.
 - e) Diversion or reconsignment requested by or on behalf of Receiver.
 - f) Delays caused by overloads of the Cars beyond the load limit.
 - g) Delays en route: An adjustment will be made for the actual time during which empty or loaded trains are Constructively Placed or otherwise stopped or delayed en route between an Origin and a Destination if such delay is attributable to Receiver, or on behalf of Receiver, or the mine operator. Such delays include, but are not limited to delays at the Destination for plant maintenance or outages and trains unloading ahead at Destination or trains loading ahead at Origin.
 - h) Delays for track repair curfews and/or derailments.
- b. Standard Cycle Time Adjustment: If the average Adjusted Cycle Time Days as to a given Origin or Rate District and Destination combination for the calendar quarter are materially different than the applicable Standard Cycle Time Days (plus or minus) for that Origin or Rate District combination, then CSXT has the right, at its sole discretion, to adjust the Standard Cycle Time Days to a value that more accurately reflects the actual Transit Time associated with the appropriate Cycle. Adjustments to the Standard Cycle Time Days may be initiated on the first day of any calendar quarter. Upon any adjustment by CSXT to the Standard Cycle Time Days as to an Origin/Rate District/Destination combination, a corresponding and appropriate change (plus or minus) to the Private Car rate differential or discount, to the extent provided in the Contract, will be made. The change in the Standard Cycle Time Days will also be reflected in the calculation of the Reconciliation Statement and the Transit Time Remedies (hereinafter described).
- c. Use of SHIPCSX Electronic Tools: To aide in the process of measuring Actual Cycle Time Days, SHIPCSX tools that electronically record origin and destination shipment release times must be used at any Origins and Destinations that are to be measured under these Transit Time Standards.



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SECTION 10 – TRANSIT TIME STANDARDS – Continued

ITEM 10000 TRANSIT TIME STANDARDS - Continued

- d. Car Day: For the purposes of this Section 10, a “Car Day” or “Car Days” shall be days or the portions thereof in which Private Cars or substitute CSXT cars are, or are deemed to be, engaged in the execution of an actual, adjusted or standard Cycle.
 - e. Train Day: For the purposes of this Section 10, a “Train Day” or “Train Days” shall be days or the portions thereof in which a Unit Train is, or is deemed to be, engaged in the execution of an actual, adjusted or standard Cycle.
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ITEM 10100 QUARTERLY RECONCILIATION OF PRIVATE CAR TRANSIT TIME

The following measurements and variances will be determined monthly and reconciled on a calendar quarterly basis:

- a. Cumulative Actual Cycle Time Days: The Cumulative Actual Cycle Time Days for a month or quarter, as the case may be, shall be the sum of all Actual Cycle Time Days for all Cycles finished during that month or quarter.
 - b. Cumulative Adjustments to Actual Cycle Time Days: The Cumulative Adjustments to Actual Cycle Time Days for a month or quarter, as the case may be, shall be the sum of all adjustments made to Actual Cycle Time Days for all Cycles finished during that month or quarter.
 - c. Cumulative Adjusted Cycle Time Days: The Cumulative Adjusted Cycle Time Days for a month or quarter, as the case may be, shall be the sum of all Adjusted Cycle Time Days for all Cycles finished during that month or quarter.
 - d. Cumulative Standard Cycle Time Days: The Cumulative Standard Cycle Time Days for a month or quarter, as the case may be, shall be the sum of the Standard Cycle Time Days for all Cycles finished during that month or quarter.
 - e. Cumulative Train Day Variance: The Cumulative Train Day Variance for a calendar month or quarter shall be calculated by subtracting the Cumulative Standard Cycle Time Days for a month or quarter, as the case may be, from the Cumulative Adjusted Cycle Time Days for that month or quarter.
 - f. Cumulative Car Day Variance: The Cumulative Car Day Variance for a month or quarter, as the case may be, shall be calculated by multiplying the Cumulative Train Day Variance for that month or quarter by the number of Private Cars per Unit Train agreed to in the associated Contract. A negative Cumulative Car Day Variance means that, in the aggregate for that month or quarter, CSXT performed better than the applicable Standard Cycle Time Days, and a positive Cumulative Car Day Variance means that, in the aggregate for that month or quarter, CSXT did not achieve the applicable Standard Cycle Time Days.
 - g. Prior Quarter Cumulative Car Day Variance: The Prior Quarter Cumulative Car Day Variance for a given calendar quarter shall be the Quarterly Cumulative Car Day Variance for the prior quarter.
 - h. Quarterly Cumulative Car Day Variance: The Quarterly Cumulative Car Day Variance for a calendar quarter shall be: (i) equal to the Cumulative Car Day Variance for the current quarter if the Prior Quarter Cumulative Car Day Variance is positive, or (ii) shall be the sum of the Cumulative Car Day Variance for the current quarter and the Prior Quarter Cumulative Car Day Variance for the quarter if the Prior Quarter Cumulative Car Day Variance for the quarter is negative.
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SECTION 10 – TRANSIT TIME STANDARDS – Continued

ITEM 10200 RECONCILIATION STATEMENTS

Within fifteen (15) days from the end of each calendar month and calendar quarter during the term of the associated Contract, CSXT will arrange to provide Receiver, at the expense of Receiver, with a monthly and quarterly reconciliation statement (the "Reconciliation Statement"). The Reconciliation Statement for each period will show the following: the total number of Cycles, the Cumulative Actual Cycle Time Days, the Cumulative Adjustments to Actual Cycle Time Days, the Cumulative Adjusted Cycle Time Days, the Cumulative Standard Cycle Time Days, the Cumulative Train Day Variance, the Cumulative Car Day Variance, the Prior Quarter Cumulative Car Day Variance, and the Quarterly Cumulative Car Day Variance for the month(s), and quarter, as the case may be, covered by the Reconciliation Statement. All Cumulative measures will be rounded to the nearest whole day. A sample Reconciliation Statement follows.



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SECTION 10 – TRANSIT TIME STANDARDS - Continued

ITEM 10300 REVIEW OF RECONCILIATION STATEMENTS

Within fifteen (15) days of receipt of each Reconciliation Statement, Receiver shall review the statement and advise CSXT of its concurrence or of any data discrepancies. If Receiver does not dispute the accuracy of any statement by notice to CSXT within fifteen (15) days of receipt of the statement, the statement shall be deemed to be accurate. CSXT and Receiver will make mutual, reasonable efforts to resolve any discrepancies within thirty (30) days of notification of such discrepancies. If CSXT and Receiver have not resolved the discrepancies within the aforementioned thirty (30) day period, then despite any contrary provision in the Contract, Receiver may, as its sole recourse, refer the dispute to the American Arbitration Association (“AAA”) for resolution pursuant to its Commercial Arbitration Rules within fifteen (15) days after the end of the thirty (30) day period. Receiver and CSXT shall bear their own expenses and shall share equally all AAA charges. If Receiver does not refer the dispute to the AAA within the foregoing timeframe, then the Reconciliation Statement shall be deemed to be accurate.

ITEM 10400 TRANSIT TIME REMEDIES

In the event that a Quarterly Reconciliation Statement shows that the Quarterly Cumulative Car Day Variance for that calendar quarter is a positive value, providing Receiver needs the additional Solid Fuel to replace the Solid Fuel not transported by CSXT due to the Quarterly Cumulative Car Day Variance, and subject to the other conditions set forth in this Section 10, Receiver may make a written request to CSXT for transit time remedies within the month immediately following the end of the applicable calendar quarter. The written request shall identify the number of Car Days sought by Receiver to be made up by CSXT (the “Car Day Request”), and will provide a suggested loading schedule for doing so. Upon receipt of Receiver’s written request, CSXT shall offset the Car Day Request within the three month period beginning immediately after the end of the applicable calendar quarter or, if arbitration is employed pursuant to Item 10300, after the final arbitration decision, by any or a combination of the following remedies, as determined solely by CSXT:

- a. CSXT may expedite the movement of Private Cars under the Contract so as to offset all or part the Car Day Request through the accumulation of negative Car Day Variances during the three month period as reflected in the succeeding Reconciliation Statements; and/or,
- b. CSXT may supply cars at the Private Car rate set forth in the associated Contract to offset all or part of the Car Day Request; and/or,
- c. If Private Cars are available to be leased by the Receiver, CSXT may reimburse the Receiver for the cost of leasing additional Private Cars to offset all or part of the Car Day Request. CSXT’s reimbursement shall be limited to the lesser of \$15.00 per day per Private Car or the lowest cost obtainable by Receiver for acceptable Private Cars; and/or,
- d. CSXT may make a payment to Receiver, on a Car Day basis, in the amount specified in the Contract multiplied by all or part of the Car Day Request.

For each day which a negative Car Day Variance is produced pursuant to (a) above, a car is supplied pursuant to (b) above, the leasing cost is reimbursed pursuant to (c) above, or a payment is made by CSXT pursuant to (d) above, shall offset the Car Day Request by one Car Day. CSXT shall be excused from the obligation to offset a Car Day Request to the extent that Solid Fuel is unavailable to fulfill the suggested loading schedule. A negative Car Day Variance produced pursuant to (a) above and applied as an offset to a Car Day Request shall not also be incorporated in the calculation of the Quarterly Cumulative Car Day Variance for the calendar quarter in which it was so applied.



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SECTION 10 – TRANSIT TIME STANDARDS - Continued

ITEM 10500 EXCLUSIVE REMEDY

The Receiver's sole and exclusive remedy for service failures with respect to a Contract incorporating this Section 10 shall be those provided for in Item 10400 of this Section 10. The failure to achieve Standard Cycle Time Days set forth in any Contract incorporating this Section 10 shall not be construed to establish or imply an event of default under the Contract or failure to provide service with reasonable dispatch.

THE END