

**“SOR”
SOUTHERN ONTARIO RAILWAY**

This Tariff replaces SOR Switching Tariff #4 in its entirety

SWITCHING TARIFF NO. 5

CONTAINING

SWITCHING RULES AND CHARGES

AT

POINTS ON

SOUTHERN ONTARIO RAILWAY

ISSUED: FEBRUARY 9, 2006

EFFECTIVE: MARCH 1, 2006

STUART THOMAS
GENERAL MANAGER

ROBERT CRESSWELL
MANAGER MARKETING AND SALES

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SECTION ONE

GENERAL RULES

SECTION ONE – GENERAL RULES

Item 10 Scope of This Tariff

This tariff covers various rules, rates and charges for Southern Ontario Railway. All charges *by invoice* are payable to P.O. Box 2240, 121 King Street, Stellarton, NS B0K 1S0. *Net 30 days from date of receipt.*

Item 20 Application of Authorized Increases

Rates and charges in this tariff, as amended, are subject to increases usually at the start of each new calendar year or at the discretion of the Marketing and Sales Manager and/or General Manager.

Item 30 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.

Item 40 Guaranteed Car Supply (GCO) Programs – CN / CP

Please refer to CN's most recent Tariff, CN-9000-F, Items 11000 – 11685, and CP's most recent Tariff (6666) for detailed information on ordering empty railcars for all interline moves.

Item 50 Loading or Unloading of Dangerous Goods/Hazardous Materials

SOR will not permit hazardous or dangerous commodities to be loaded or unloaded at public delivery or team tracks. This policy includes all bulk shipments or shipments in containers which exceed 110-gallon capacity of hazardous materials, substances or wastes, as described in the Directory of Materials Shipping Instructions.

Item 55 Dangerous Goods/Hazardous Commodities

The shipper of any hazardous commodity shipped via SOR shall indemnify SOR and hold SOR harmless for any and all loss, liability or cost whatsoever that SOR may incur or be held responsible for, to the extent that such liability is due to, or arising from, defects in or failure of shipper's cars and equipment, due to shipper's failure to conduct proper or appropriate pre-shipment inspection of the cars as described in Part 1.3 (f) Item 12, and Part 5 of the TDG Regulations or mis-identification of commodity shipped.

The foregoing indemnification shall not apply to any loss or liability caused by or due to SOR's failure to conduct pre-departure inspections as described in RAC Circular DG-01 and AAR interchange rules, or any other liability resulting from SOR's negligence.

Item 60 Damaged/Derailed Railcars

Customers found to be responsible for damaged/derailed railcars while the car is on SOR property will be invoiced for all damage repair and/or rerailing costs in addition to any other applicable charges detailed in this Tariff. Timelines on all repairs and rerailing will be subject to railway convenience.

SECTION TWO

SWITCHING CHARGES

Item 200 Station List

STATIONS COVERED IN THIS TARIFF AND NUMERICAL DESIGNATION ASSIGNED TO EACH:

STATION NAME	STATION NUMBER
Brantford	97
Cainsville	107
Onondaga	133
Caledonia	163
Hagersville	204
Willowgrove	232
Nanticoke	294
Hamilton	20230

Item 250 Intra/Inter-Plant and Intra/Inter-Terminal Switching

When a car is moved from one spot at any facility/operation located on SOR to another spot at the same facility/operation, or within SOR property, after the initial placement, a charge of \$175.00 per car per switch will be assessed. This includes any railcars missing proper waybilling that have been or are in the process of being placed on the interchange tracks to CN/CP and must be switched out by SOR and placed into storage. For further information on bill of lading requirements for railcar shipments, please refer to the most recent CN-9000 Tariff, Items 3020 – 3022. Intra/Inter-plant switching will be performed at the railroad’s convenience. For further information on Inter-Terminal switches, please refer to the Glossary of Terms section, Appendix A, as well as the most recent CN-9000 Tariff, Item 8000.

Item 260 Additional / Extra Switch

Contact the Marketing and Sales Manager for rates on additional switches. An additional / extra switch is defined as any railcar movements performed by SOR for a customer above and beyond their regular switch service where SOR is able to utilize existing crew time and engine(s). The cost will be \$950.00 minimum per additional switch to the customer. Please refer to the Glossary of Terms section, Appendix A, as well as the most recent CN-9000 Tariff, Item 10000 for additional information on Special Trains and Special Switches.

Item 270 Extra Train Handling Charge

All extra train handling charges will be negotiated with the Marketing and Sales Manager. An extra train charge of \$2000.00 minimum applies to any railcar movements performed by the SOR for a customer above and beyond their regular switch service where existing crew time and engine(s) cannot be utilized and another crew and engine(s) must be ordered in to perform the work. Please refer to the Glossary of Terms section, Appendix A, as well as the most recent CN-9000 Tariff, Item 10000 for additional information on Special Trains and Special Switches.

Item 280 Empty Cars Switched From Interchange for Loading in Canada

When, at the request of a shipper, receiver, agent or a connecting carrier, SOR switches an empty car, received in interchange, to the customer’s facility/operation for loading and the car order is subsequently cancelled and the car is released unloaded, SOR will assess a switching charge of \$125.00 on the empty movement in each direction to and from the customer’s loading facility. This will include cars rejected bad-order to the connecting carrier. All applicable Car Hire or reclaim charges will also be assessed. SOR is not obliged to and will not store these cars on its tracks for subsequent orders.

SECTION THREE

ACCESSORIAL CHARGES

Item 300 Haul of Empty Car Not Used

When cars placed or tendered for loading are not used within forty-eight (48) hours, the party ordering same shall be subject to a charge of \$250.00 per car, in addition to any applicable demurrage charges.

Item 310 Freight Car Rejection

Industries located on SOR will be allowed twenty-four (24) hours to reject a car for loading. The 24 hours will commence at 0001 following the time of constructive or actual placement of the car(s) on the industry's track. Rejection of a car after the twenty-four (24) hour period will result in a charge of regular demurrage (see Item 520) per car per day until notice of rejection is received by the SOR by fax or email. Notification by phone will not be accepted as official notification of rejection of car(s).

Item 320 Charges for Turning Railcars

A charge of \$125.00 per car will be assessed for turning and respotting railcars. This applies to cars not properly placarded or marked to unload from one particular side or end of a car, which after initial placement has been made, either shipper, consignee or owner directs carrier to turn car for unloading from opposite side or end of car. If Bill of Lading information carries notation that car has been properly placarded and placard has disappeared before placement, the charge named herein will not apply.

Item 330 Cars Leaking Dangerous Goods/Hazardous Materials

SOR will assess a charge of \$2,000 for the handling of each car loaded with or containing residue of Dangerous Goods/Hazardous Materials that are found to be leaking and must be moved to an isolation track for securement.

Charges will be assessed to the shipper on the bill of lading. All other charges, including securement, clean up, demurrage, switching etc. will be in addition to this \$2,000 charge.

Item 340 Cars Delivered in Interchange to SOR in Error.

Cars loaded or empty, received by SOR in error or without forwarding instructions from the delivering carrier, will be returned to the delivering carrier or forwarded to the proper connecting carrier within the same switching district at a per car charge of \$275.00. This charge will be assessed against the delivering carrier.

Item 350 Hold Charge

All cars held at the request of a shipper or receiver prior to release or disposition of the cars will be subject to a holding charge of \$75.00 per car per day. If the car being held contains dangerous commodities, an additional charge of \$75.00 per car per day will be charged to the customer (Please refer to Item 520).

Item 360 Cars Released, But Not Made Available for Lifting by SOR Crews

When release notification on one or more cars has been submitted by a customer to SOR, but the cars are not physically made available to SOR crews for lifting when they arrive at customer siding/trackage, the customer shall be charged \$175.00.

Item 370 Railcar Scaling

All railcars scaled at SOR's Stuart Street Yard will be subject to a charge of \$100.00 for each scaling that occurs (whether loaded or empty). This includes any railcars that are scaled for a tare weight and are ultimately rejected by a customer – the customer will be invoiced by SOR for providing the service of scaling the car(s). For further information on weighing, please refer to the most recent CN-9000 Tariff, Items 5060 – 5090.

Item 380 Overloaded Cars Received at Interchange.

Any railcars *received by SOR at Interchange that are determined by SOR Scaling* to be overweight (exceeding 263,000 lbs) will be assessed a graded charge for handling and in this example will not be less than the current CN overload Tariff (refer to the most recent CN-9000 Tariff, Item 5080), which may be adjusted from time to time. This charge is in addition to the regular scaling charge.

Item 390 Cars mismarshalled and delivered in Interchange to SOR.

In the event Interchange railcars delivered to SOR are not switched or blocked properly and results in SOR having to move equipment other than SOR equipment to accomplish, a switching charge of \$75.00 per railcar or continuous block of railcars will be assessed. In the event Interchange railcars delivered to SOR are interchanged at other than regular interchange locations as agreed, each car will be subject to charge of \$0.90 per mile. (At the discretion of the General Manager).

SECTION FOUR

STORAGE CHARGES

Item 400 Storage of Cars

Storage agreements of private cars must be established with SOR prior to arrival of cars online and will be subject to track availability. Rates are to be negotiated with the Marketing & Sales Manager and may vary according to availability of storage capacity. Cars containing Hazardous Material will be subject to a charge of \$75 **per car** per day. This charge is in addition to the agreed upon storage rate(s).

Item 410 Long-Term Storage Charges

Each car held at the request of the shipper or receiver for long-term storage will be charged \$150.00 per month, or portion of a month, per car. Charges for each car ordered into or out of storage is \$150.00 per car per move. All arrangements will be approved and negotiated by the Marketing and Sales Manager prior to arrival of cars.

SECTION FIVE

DEMURRAGE PROVISIONS

Item 500 Demurrage Plan

The system of Demurrage has been used successfully by railroads across North America for many years. Demurrage is a monetary penalty that is levied when equipment is not used in an efficient manner. SOR does not view demurrage as a revenue generating component of our business. SOR uses demurrage simply to offset the car hire costs associated with having equipment online that is not generating traffic (freight) revenue.

SOR's demurrage policy is outlined below:

- A. Charges will be billed monthly and will cover all cars released during the calendar month.
- B. Credits earned and demurrage days accrued by customers having facilities at separate stations cannot be combined – **demurrage is siding specific**.
- C. Credits earned and demurrage days accrued will be calculated **separately** for the following:
 1. Cars held for loading subject to Item 550 of this tariff.
 2. Cars held for complete unloading subject to Item 560 of this tariff.
 3. Individual equipment subject to Item 570 of this tariff.**** Credits received for loading cannot be applied to demurrage debits for unloading and vice versa ****
- D. Customers having more than one facility at one location will receive separate itemized billing for each facility.
- E. Excess credits earned in one calendar month **cannot** be used to offset demurrage days in another calendar month.
- F. Unless otherwise advised in writing, demurrage charges will be assessed against the source of delay on SOR (consignor at origin or consignee at destination) who will be responsible for payment.
- G. DISPUTED CHARGES – Demurrage charges assessed ***must*** be paid in full. Disputes for adjustment, together with supporting documentation, must be presented ***in writing*** to SOR **within thirty (30) days after the date on which the bill for demurrage is rendered.**
- H. Method by which SOR will calculate charges:
 1. Determine total number of chargeable demurrage days and total number of credits.
 2. Subtract total credits from total chargeable demurrage days.
 3. If a balance of chargeable days remains, each remaining chargeable day will be assessed at \$75 (see Item 520).

Item 510 Application of Demurrage

- A. Applicable at all stations on SOR
- B. The disposition of a car at its point of detention determines the purpose for which the car is held and the rules applicable thereto.
- C. All railroad and privately owned cars held for or by consignors or consignees are subject to demurrage rules and charges contained in this section, EXCEPT:
 1. Cars for loading or unloading of SOR company material while held on SOR tracks or private sidings connecting therewith.
 2. Cars of refused or unclaimed freight to be sold by SOR for the time held beyond legal requirements.
 3. Cars “moving on own wheels” under transportation charges as freight.
 4. Cars of railroad ownership, leased for storage of commodities, while held on lessee's tracks.
 5. Loaded or empty private cars held in railroad tracks.
 6. Cars specially equipped for handling welded railroad rail held for loading such rail.
 7. Empty cars ordered and ultimately rejected (within the timeframe outlined in Item 310) as unsuitable for loading.

Item 520 Demurrage Rates

1. \$75.00 / day – For all equipment subject to the provisions of this tariff.

**** NOTE: Hazardous Materials** - \$ 75.00/day – **ADDITIONAL CHARGE** for each car containing HAZARDOUS MATERIALS.

Item 530 Notification to Consignor or Consignee

1. The following notification will be furnished as indicated:
 - a. Notice of receipt of both empty and loaded cars, by SOR at interchange with CN/CP, will be electronically transmitted to the consignee. Only one notice per car will be communicated.
 - b. Cars will be placed without delay, unless otherwise directed by consignee.
 - c. Delivery of car to tracks of consignee will constitute notice of placement.
2. Refused Loaded Car:
When a loaded car is refused at destination, SOR will give notice of such refusal to CN/CP or consignor or owner.

Notification may be given by email or fax and will contain the following:

1. Car initial and number.
2. If lading transferred enroute, initials and number of the original car.
3. Commodity.

Item 540 Notification to SOR

PHONE 800-565-5715

FAX 888-853-0559

EMAIL STELLARTONCUSTOMERSERVICE@RAILAMERICA.COM

- A. Notification of released cars must be provided to SOR and the Stellarton, Nova Scotia office, available at the above email address, fax and phone numbers.
- B. When electronic or mechanical devices are used to furnish notification to SOR, the recorded date and time that the instructions are received will govern.
- C. Notification may be given by email or fax and will contain the following:
 1. Car initials and number.
 2. Company and name of acting agent.
 3. Commodity.
 4. Final destination.

Item 550 Cars Held for Loading

Loading is the complete or partial loading of a car in conformity with SOR and CN loading and clearance rules and the furnishing of forwarding instructions.

TENDER:

The notification, actual or constructive placement of an empty car placed on orders of the consignor.

DISPOSITION:

That information, including forwarding instructions or empty release, which allows SOR to either tender or release the car from the consignor's or consignee's account.

TENDER:

The notification, actual or constructive placement of a loaded car.

RELEASE:

Date and time SOR received advice that the car is empty or when forwarding instructions are received (see Item 540). Release notification will be accepted by fax or email.

COMPUTATION:

Time will be computed from the first 00:01 hours:

A. After tender until release on cars:

1. Diverted
2. Empty for loading – ordered and not used (other than a rejected car).
3. Partially unloaded. (ie. product inside railcar found to be contaminated or wrong product)
4. Re-consigned.
5. Re-shipped. (ie. diverted or re-shipped to another customer/destination)
6. Stopped in transit.

Release notification will be accepted by fax or email.

B. After cars are received by SOR until date of disposition on:

1. Cars received from connecting carriers.
2. Loaded private cars returned to railroad tracks.

C. After tender until date of refusal on refused loaded cars (consignor).

D. After tender until date of disposition on refused loaded cars (consignor).

E. After tender until release or placement on private tracks of loaded private cars – while held on SOR tracks.

CREDITS:

- A. No credit days will be allowed for each car released or for which disposition is given.

Item 580

Closing Railcar Doors / Preparing Empty Cars For Movement When Released

The consignee is responsible for properly unloading each railcar. If the consignee fails to remove all lading or other material (ie. dunnage) from a railcar and/or close the doors, properly secure all tie-downs (ie. centrebeam cars), etc., the car **will not** be considered as released and will remain on demurrage until the consignee releases the railcar as described above.

Item 590

Strike Interference

When it is impossible to load, unload, receive cars from or make cars available to SOR due to strike interference at the point where loading or unloading is to be accomplished, demurrage days will be charged at the rate of \$150.00 per day during the period of strike interference, provided:

1. The disruption exceeds seven (7) days in duration during one calendar month.
2. The provisions of this item will only apply when:

- a. SOR is notified of such strike interference within 48 hours after such strike action begins.
- b. Waybills of inbound cars are dated up to four (4) days after the beginning of strike interference.
- c. Cars for loading ordered after the beginning and prior to the ending of strike interference.

When floods, earthquakes, hurricanes, tornados or ice storms lasting in excess of two days make it impossible for the consignor or consignee to load, unload, receive or make cars available to SOR, the demurrage charges that accrue as a direct result will be adjusted.

APPENDIX A

GLOSSARY OF TERMS

Glossary of Terms

For the purpose of applying provisions of this section, the following are defined and will govern:

ACTUAL PLACEMENT – When a car is placed in an accessible position for loading or unloading, or at a point designated by the consignor or consignee.

CHARGEABLE DEMURRAGE DAY – Each demurrage day in excess of credit days. This number is attained by subtracting total credits from total demurrage days for individual transactions such as loading or unloading.

CONSIGNEE – The party to whom a shipment is consigned or the party entitled to receive the shipment.

CONSIGNOR – The party in whose name cars are ordered or the party who furnished forwarding instructions.

CONSTRUCTIVE PLACEMENT – When a car cannot be actually placed due to any condition attributable to the consignor or consignee, including order notify and in-bond shipments, such car will be held on SOR tracks and notice will be given to the consignor or consignee that the car is held awaiting disposition instructions. Such cars which have been placed by SOR on private or other than public delivery tracks, including lead tracks serving the consignor or consignee, will be considered constructively placed without notice. Demurrage provisions will apply. Customers who order their loaded cars in for placement will have their cars constructively placed on arrival at destination. The demurrage cycle for unloading begins and will continue until the car is released empty.

CREDIT – A non-chargeable demurrage day. Credits can be earned on cars released in a calendar month.

DEMURRAGE DAY – A twenty-four (24) hour period, or portion thereof, commencing at the first 00:01 hours after tender (calendar day).

DIVERSION – An order from the consignor to deliver car to other than original destination.

EMPTY RELEASE INFORMATION – Notification given to authorized personnel of SOR, that a car is unloaded and available to SOR. Information given must include car initials and number, identity of consignee, and identity of party furnishing information.

FORWARDING INSTRUCTIONS – Shipping instructions given to SOR at the point of loading, containing all necessary information to transport the shipment to its final destination.

HOLIDAYS – Wherever reference is made to “holidays”, it shall mean: New Year’s Day, Good Friday, Victoria Day, Canada Day, Labour Day, Thanksgiving Day, Christmas Day, Boxing Day.

INTRA-PLANT SWITCH – Movement of cars from one track to another track or from one spot to another spot on the same track, within the same plant or industry.

INTRA-TERMINAL / INTER-PLANT SWITCH – Movement other than intra-plant switching from an industry, assigned siding, team track or SOR yard track (including SOR repair facilities), to an industry, assigned siding, team track or SOR yard track (including SOR repair facilities) within the same switching district, but not to or from interchange with a connecting railroad.

INTER-TERMINAL SWITCH – Movement of cars between a point located on SOR tracks and a point located on another railway within the switching limits of one station or industrial switching district.

LEASE TRACK – Any trackage assigned to a user through written agreement. Lease track will be treated the same as a private track under this section.

NOTIFICATION – When required, notification will be furnished in writing, electronically, by mechanical devices or verbally to the party entitled to receive notification. Only one notification per car will be supplied to the consignee or the consignor.

PRIVATE CAR – A car bearing other than railroad reporting marks and which is not a railroad controlled car, and where SOR incurs and pays no per diem charges.

PUBLIC DELIVERY TRACK – Any track open to the general public for loading and unloading.

RECONSIGNMENT – An order from the consignor to bill a car to other than the original consignee. (An order to turn over the car to another party which does not require an additional movement of the car is not a reconsignment).

REFUSED LOADED CAR – When the original loaded car is refused at destination without being unloaded.

REJECTED CAR – An empty car determined by the shipper as being unfit for loading.

RELEASE – The notification received from the consignor or consignee that loading or unloading of the car has been completed.

RELOADING – When a car is held for loading after being released as an empty, demurrage provisions will apply.

SPECIAL TRAIN – A train that is operated under special service or transportation conditions or assembled according to instructions of the consignor or consignee.

SPECIAL SWITCH – A switch assignment, beyond SOR's regularly scheduled service to, from, or within the confines of a customer's plant, siding or serving yard.

TENDER – The notification, actual or constructive placement of an empty car place on orders of the consignor/consignee.

APPENDIX B

**DIMENSIONAL RATES
- HAGERSVILLE SUBDIVISION
- HAMILTON N&NW SPUR**

Southern Ontario Railway (SOR) Hagersville Subdivision and Hamilton N&NW Spur
Dimensional Rate Matrix SOR-02-01S Effective March 1, 2006

The following rate schedule will apply on SOR for the Intraline movement of dimensional loads from interchange with CN at Brantford, ON up to a total of approximately 35 miles to Nanticoke, ON and both CN and CP within the city limits of Hamilton, ON.

Load Rating D1R thru D3R: (all weights expressed as gross weight on rail)

- \$ 400.00 per car for loads not exceeding 263,000lbs
- \$ 550.00 per car for loads exceeding 263,000 lbs but not exceeding 500,000 lbs
- \$ 800.00 per car for loads exceeding 500,000 lbs but not exceeding 750,000 lbs
- \$1,300.00 per car for loads exceeding 750,000 lbs.

Load Rating D4R thru D6R: (all weights expressed as gross weight on rail)

- \$ 800.00 per car for loads not exceeding 263,000 lbs
- \$1,100.00 per car for loads exceeding 263,000 lbs but not exceeding 500,000 lbs
- \$1,300.00 per car for loads exceeding 500,000 lbs but not exceeding 750,000 lbs
- \$1,600.00 per car for loads exceeding 750,000 lbs

Load Rating D7R thru D9R: (all weights expressed as gross weight on rail)

- \$1,100.00 per car for loads not exceeding 263,000 lbs
- \$1,300.00 per car for loads exceeding 263,000 lbs but not exceeding 500,000 lbs
- \$1,600.00 per car for loads exceeding 500,000 lbs but not exceeding 750,000 lbs
- \$1,800.00 per car for loads exceeding 750,000 lbs

Special train charges if required: \$120.00 per mile or minimum special train charge of \$2000.00 in addition to applicable per car charges.

Idler cars filled with ballast not exceeding 263,000 lbs gross weight will be billed at the applicable zone rate. If these cars return with ballast, the zone rate will also apply on the return move.

For any other applicable charges, please refer to Sections Two through Five in this Tariff.

APPENDIX C

CONTACT NUMBERS

Telephone Numbers:

Car Control	Stellarton, Nova Scotia	1-800-565-5715 ext. 223 or 233
Accounts Receivable	Stellarton, Nova Scotia	1-800-565-5715 ext. 235
Accounts Payable	Boca Raton, Florida	1-561-226-6853
Trainmasters	Hamilton, Ontario	905-777-1234 ext. 223 or 221
Manager Marketing & Sales	Hamilton, Ontario	905-777-1234 ext. 222
		905-961-9139 (cell)