

# IOWA NORTHERN RAILWAY

## IANR RULES BOOK 3001 (NEW)

(CANCELS AND REPLACES FREIGHT TARIFF IANR 3000F)

COVERING GENERAL RULES AND REGULATIONS  
GOVERNING THE TRANSPORTATION OF FREIGHT BY THE  
IOWA NORTHERN RAILWAY

ISSUED: September 9, 2009

EFFECTIVE: October 1, 2009

Issued by Amy Homan and Joyce Fenneman, 305 2<sup>nd</sup> Street SE, Cedar Rapids, IA 52403

## **Item 5 – Description of Governing Classification**

The term “Uniform Freight Classification”, when used herein, means: UFC 6000-Series

## **Item 10 – Station List and Conditions**

This tariff is governed by the OP&S 6000-Series, to the extent shown below:

### **Prepay Requirements and Station Conditions**

For the addition and abandonment of stations and, except as otherwise provided herein, for prepay requirements, changes in names of stations, restrictions as to acceptance or delivery of freight, and changes in stations facilities. When a station is abandoned as of a specified date in OP&S-6000-series, the rates from and to such station are inapplicable on and after that date.

## **Item 20 – Reference To Tariffs, 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 75 – Method of Canceling Items**

As this tariff is supplemented, numbered items with letter suffixes cancel corresponding numbered items in the original tariff or in a prior supplement. Letter suffixes will be used in alphabetical sequence starting with A.

EXAMPLE: Item 25-A cancels Item 25 and Item 50-B cancels Item 50-A in a prior supplement which in turn canceled item 50

## **Item 100 – Method of Denoting Reissued matter in Supplements Issued September 9, 2009 – Effective October 1, 2009 (Change in Wording)**

Matter brought forward without change from one supplement to another will be designated as “Reissued” by a reference mark in the form of the number being underlined. The number being that of the supplement in which the reissued matter first appeared in its currently effective form. To determine the original effective date consult the supplement in which the reissued matter first became effective.

## **Item 110 – Mileage Charges on Privately Owned Cars Issued September 9, 2009 – Effective October 1, 2009 (Change in Wording)**

Unless otherwise provided contractually, the IANR will not pay mileage charges on privately owned cars when moving on, from, to or via stations on the IANR

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**Item 120 – Price Authority Required Prior to Shipment  
Issued September 9, 2009 – Effective October 1, 2009 (New)**

IANR will issue freight bills based on rates that are in effect at the time shipments are tendered to it for movement. The applicable price authority should be shown on the Bill of Lading. IANR, at its own discretion, may not allow backdated pricing to cover carload shipments where the customer tenders a shipment prior to a price agreement being reached, or after a price agreement expired. If no other price is in place at the time of movement, existing public prices will be used. For joint line shipments, if an existing price is not in place; IANR may rate and bill these as Rule 11 shipments.

**Item 125 – Charge – Traffic of Exceptional Dimension or Weight  
Issued September 9, 2009 – Effective October 1, 2009 (New)**

Charges published in this tariff will not apply in connection with traffic of exceptional dimensions or weight. Rates for these movements must be requested from IANR's Director of Marketing. Dimensional traffic is handled subject to restrictions as determined by IANR. Additional work performed by IANR to facilitate line haul movement of dimensional traffic is chargeable and in addition to the line haul charges. If for safety reasons, IANR representatives are required to accompany the dimensional shipment; additional charges will be assessed for this service.

**Item 130 – Charge – For Turning Cars  
Issued September 9, 2009 – Effective October 1, 2009 (New)**

When orders are received from consignee to turn loaded cars around that have not been placarded to indicate from which side it must be unloaded and, as a result, is improperly set for unloading and requires additional service to turn the car around, such service will be performed where facilities are available at the rate of \$400.00 per car. When orders are received from consignor to turn empty car around, for their convenience, after it has been placed for loading, such service will be performed where facilities are available at the rate of \$400.00 per car.

**Item 200 – Rules, Regulations and Packing Requirements**

The commodities for which rates are provided for in this tariff will be subject to all rules, regulations and packing requirements of the governing classification and the exceptions thereto, as named in the Item 5, unless otherwise specifically provided for herein.

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## **Item 205 – Carriers Limited Liability**

**Issued September 9, 2009 – Effective October 1, 2009 (Change in Wording)**

The provisions of 49 U.S.C. Section 11706 do **not** apply to shipments which are governed by the terms of this publication.

1. IANR will **not** be liable for loss, damage or delay to lading caused by:

- a. An act of God.
- b. A public enemy or terrorism.
- c. The authority of law.
- d. Riots.
- e. Labor strikes.
- f. Acts of civil disobedience.
- g. The inherent quality or characteristic in the commodity.
- h. Natural shrinkage and/or difference between origin and destination weights, except where loss results from defective equipment owned or leased by IANR and identified as defective prior to spotting for loading.
- i. An act or default of shipper, consignor, consignee, owner, or any contracting party, including but not limited to, the failure of the shipper or any other party to properly block or brace the lading; or the stoppage and holding in transit of lading at the request of the shipper, consignor, consignee, owner, or any contracting party.

2. IANR shall **not** be liable for property transported until:

1. IANR has taken physical possession of the car and a bill of lading has been executed by the shipper; or
2. After the car has been placed at the point at which a delivering railroad normally makes cars available to a receiver or a point otherwise agreed upon, and notice of arrival has been given.

3. Shipper is responsible for proper and lawful packaging, loading, stacking, blocking, bracing and ventilation of the cargo. Shifting of a load enroute is, of itself, not evidence of IANR mishandling. If a car without mechanical protection against heat and cold is requested by the shipper/consignor, IANR is not responsible for the deterioration of the product which may occur because of temperature within the car. Shipper is responsible for affixing a seal to each car door or hatch.

4. For shipments covered by perishable protective services as provided in price authorities, railroads do not have to raise or lower temperatures enroute.

5. Shipper acknowledges and accepts the inherent tendency of perishable goods to deteriorate or decay. IANR is not liable for the decline of goods as is reasonably expected to occur while enroute. IANR is not liable for the decline of goods attributable to disease or decay within the goods when loaded.

6. IANR is not liable for the shortage of lading unless there is physical evidence of unauthorized forced entry into the car while in IANR's possession. Shortage claims must be verified and supported by an actual tally of packages loaded at origin and an actual tally of packages unloaded at destination. Origin and destination seal records must be on the bill of lading upon shipment and follow Item 225, pertaining to seals. IANR will not be responsible for loss due to natural shrinkage and/or difference between origin and destination weights, except where loss results from defective equipment.

## **Item 205 – Carriers Limited Liability – Continued**

7. IANR agrees to transport shipments with reasonable dispatch. IANR does not guarantee rail service within any particular time frame. IANR's maximum liability of cargo is the lower of its original cost or the cost of replacement. IANR is not liable for special or consequential damages or for damages due to market decline. IANR will not be responsible for any loss, damage or delay to cargo that occurs outside of the United States or Canada.

8. A claimant must mitigate its damage by acceptance of damaged cargo unless evidence that the goods are totally worthless is presented. A claimant may not abandon damaged goods to IANR when the damaged lading retains more than minimal value. Product that is abandoned to IANR in an undamaged condition will be sold and the salvage proceeds only, less salvage expenses, will be remitted to the owner.

9. There shall be no presumption of IANR fault for the loss, damage or delay of cargo. The burden of proof to establish the culpability of IANR is upon the claimant. IANR is not liable for any loss, damage or delay of cargo, except where IANR's intentional act or omission, gross negligence or simple negligence is the direct and proximate cause of the injury. If IANR's act or omission is not the sole cause of the injury but contributes to the loss, damage or delay to the cargo, then IANR will be liable only for that portion of the injury as corresponds to its comparative culpability.

10. IANR's maximum liability per car is \$50,000.00. IANR will not be liable for damage where IANR's liability is determined to be \$250.00 or less per car. No claim will be filed or paid for injury to lading of less than \$250.00 per car. See Item 235 for claim procedures.

## **Item 208 – Refused or Unclaimed Freight**

**Issued September 9, 2009 – Effective October 1, 2009 (New)**

The following practice will be followed in the handling of freight which is refused or unclaimed: All Freight consignees, as described in the waybill, will be notified promptly of the arrival of shipment at destination. In case of refusal by consignee to accept the freight, or if freight is unclaimed five days after notice of arrival has been sent or given, consignor will be sent a notice showing the name of consignee, description of freight, point of origin and date of shipment. This notice will also state substantially that if disposition is not arranged for, at IANR's sole discretion, the property will be: 1) subject to sale as provided for in Section 4 Paragraph (b) of the Uniform Bill of Lading as published in Tariff UFC 6000-series, or 2) at shipper's expense be reverse routed to origin by IANR.

## **Item 208A – Return of Refused or Rejected Shipments**

**Issued September 9, 2009 – Effective October 1, 2009 (New)**

When a shipment has reached destination but is refused or rejected and not unloaded and is returned to the original point of shipment, the return shipment will be subject to the rate, minimum weight and route from of the original shipment.

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### **Item 210-A – Demurrage**

**Issued September 9, 2009 – Effective October 1, 2009 (Change in Wording)**

Demurrage for all cars on IANR shall be governed in accordance with Freight Tariff ASLG 6004-series, and Freight Tariff ASLG 6007-series both published by the American Short Line and Regional Railroad Association, with the following Exceptions provided herein. Cars which are placed for loading or unloading on tracks or at industries will be subject to the following demurrage charges:

- (2) days free
- (4) days \$30 per day
- (2) days \$40 per day
- Remaining days \$70 per day
- Saturday, Sunday and holiday time will be included when calculating demurrage

EXCEPTION: 36 Hours free time will be allowed for loading cars of corn or soybeans. After expiration of free time, a charge of \$25.00 per car, per day or fraction of a day, for the first two (2) chargeable days, and \$35.00 per car per day or fraction of a day thereafter including Saturday and Sunday.

### **Item 210-B – Overloaded or Improperly Loaded Cars**

**Issued September 9, 2009 – Effective October 1, 2009 (Change in Wording)**

An overloaded car is defined as a rail car for which either the net weight (actual weight of freight including all other materials incidental to the movement of the goods) is in excess of the car's authorized load limit (defined as the stenciled "load limit" on the car), or the gross weight (combined weight of railcar and freight including all other material incidental to the movement of the goods) is in excess of the track weight limitations at any point along the route of movement.

Cars Found to Be Overloaded/Improperly Loaded:

1. When a car is found to be overload at origin, enroute or at destination, it is the responsibility of the shipper at the origin to correct the load at their expense.
2. Demurrage chares, as provided in item 210-A of the current IANR tariff, will be computed from the first 7:00 AM following notification to correct load. If said demurrage is accumulated on another carrier and IANR subsequently billed, origin shipper assumes responsibility for payment
3. When cars are discovered to be loaded in an improper manner at origin or enroute, shipper will be assessed a \$225.00 per car switching fee and in addition shall pay the additional charges as outlined in paragraphs 5 and 6 of this item.
4. It is the responsibility of the shipper at the origin location to load cars in a safe and proper manner. In the event the shipper loads cars in an improper and dangerous manner and cars are subsequently involved in a derailment, shipper will bear the responsibility and liability for all damages so incurred as well as the charges for all damages so incurred by the carrier.
5. When cars are discovered to be overweight, shipper will be assessed by carrier an overloaded charge of \$450.00 (See Note). Additionally, when a car is found to be in excess of 273,000 pounds, and overload penalty of \$600 per car will be assessed. Repeated overloading violations in excess of 10,000 pounds could result in equipment not being placed for loading until IANR is assured that the negligent loading practice has been corrected.
6. Should any assessment charges be levied the IANR from an interline carrier due to cars being improperly loaded or overloaded, such charges will be passed on to the originating shipper.

Note: Overload charge of \$450.00 per car will not be assess when loads are reduced at origin or at oncoming interline junction.

**Item 220 – Security Type Seals Application Rules and Claim requirement**  
**Issued September 9, 2009 – Effective October 1, 2009 (Change in Wording & Number)**

1. Security Seal Application – It is solely the decision of the shipper to determine the type of protection necessary to protect the cargo, including but not limited to the use of seals and security devices. IANR does not apply or determine if seals or security devices are appropriate or adequate, except in the case of contamination (See Paragraph 2 below). IANR, in all cases, does not inspect shipments for seal integrity. In the event that a seal or a security device is broken, or missing, the absence or breach of a seal will not create a presumption of contamination or theft without actual physical evidence. IANR will notify the delivering carrier, originating carrier and customer if known of the absence or breach and will await disposition. Documentation of the application of seals or security devices at origin is the responsibility of the shipper and the seal number(s) must be included, on the bill of lading or shipping instructions and in any claim application.
2. Cargo Subject to Contamination
  - a. For IANR to consider a claim for contamination of cargo the shipment must be sealed by the actual shipper or its agent and provide evidence of a process for securing, sealing and verification as listed below.
    - i. The minimum seal will be a barrier type seal meeting ASTM(American Society for Testing and Materials) standards, a cable seal 1/8 inch in diameter, a high security bolt seal or their equivalent.
    - ii. All seals utilized by the shipper will be numbered and recorded on the bill of lading or shipping instructions and forwarded to all connecting carriers
    - iii. The rail car openings securement sealing and verification process will include a minimum of two steps, first the act of securement and sealing to be accomplished by one employee and secondly either or both of the following:
      1. A visual verification of the securement and seals by a different employee or agent
      2. Digital photographic evidence of the car number, each aperture, and each seal clearly indicating the seal integrity and identification marking; and the date and time the image was taken. Date of image documentation must be within 24 hours of carrier billing date.
    - iv. The shipper will maintain for a minimum of one year a written record of the date and time of the securement and application of seal(s), the identity and signature of the person applying the seals, and the date, time of the visual verification with the identity and signature of the person performing the visual verification.
  - b. IANR will not pay any claim for cargo contamination unless contamination or breach of seal integrity is proven to have occurred on the IANR and the above minimum standards are met.
  - c. Any car hire incurred by IANR while waiting for disposition of a car, due to seal integrity, will be the responsibility of the shipper.

**Item 225 – Maximum Weight**

**Issued September 9, 2009 – Effective October 1, 2009 (Change in Wording & Number)**

Maximum gross allowable weight per railcar is 263,000 pounds

**Item 230 – Diversion or Reconsignment**

**Issued September 9, 2009 – Effective October 1, 2009 (Change in Wording, Increase)**

If a car is diverted or reconsigned in transit prior to arrival at original destination, or after arrival at original destination but before placement, the through rate will be applied, plus a charge of \$200.00 per car for such services.

**Item 232 – Interchange Error Movements**

**Issued September 9, 2009 – Effective October 1, 2009 (Change in Wording, Increase)**

Cars loaded or empty, received by IANR 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 \$450.00. This includes empty equipment in loaded unit trains. The charge will be assessed against the delivering carrier. In addition, a \$30.00 per day holding fee will be assessed against the delivering carrier for each day the cars is held awaiting forwarding instructions.

**Item 233 – Delay in Supplying Instructions**

**Issued September 9, 2009 – Effective October 1, 2009 (Change in Wording, Increase)**

Cars held awaiting disposition or forwarding instructions will be subject to an additional charge of \$20.00 per day or fraction thereof, (this charge will be assessed against the delivering carrier) following the first 12:01 am after notice is given to the delivering carrier. When a car, empty or loaded, is received from a connecting line without necessary data for forwarding and must be classified to a hold track, a \$350.00 penalty charge may be assessed against that delivery carrier. On a railroad owned car for which the IANR is responsible to the car owner for car hire charges and additional charge of \$25.00 per day will be assessed against the delivering carrier for each day or fraction thereof.

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**Item 235 – Cargo Loss and Claims: Cargo Loss, Damage and Delay Provisions / Liability Restrictions; Claim Filing Related Thereto  
Issued September 9, 2009 – Effective October 1, 2009 (Change in Wording)**

1. Carrier\* will not be liable for loss, damage or delay to lading caused by an Act of God, a public enemy, the authority of law, labor strikes, acts of civil disobedience, the inherent nature or character of the lading, natural shrinkage, an act or default of the shipper/consignor, owner or consignee/receiver, or from any cause whatsoever which occurs while the lading is not the actual physical custody and control of the Carrier.
2. Shipper is responsible for proper and lawful packaging, loading, stacking, blocking, bracing, and ventilation of the cargo. Shifting of a load en-route is, of itself, not evidence of Carrier mishandling. If other than a railcar with mechanical protection against heat and cold is requested by the shipper/consignor, Carrier is not responsible for the deterioration of the products which may occur because of temperature within the railcar. Shipper is responsible for affixing a seal to each railcar door or hatch.
3. Shipper acknowledges and accepts the inherent tendency of perishable goods to deteriorate or decay. Carrier is not liable for the decline of goods as is reasonably expected to occur while en-route. Carrier is not liable for the decline of goods attributable to disease or decay within the goods when loaded.
4. Carrier is not liable for shortage of lading unless there is physical evidence of unauthorized forced entry into the vehicle while in the carrier's possession. Shortage claims must be verified and supported by an actual tally of the package loaded at origin and an actual tally of packages unloaded at destination. Origin and destination seal records must be furnished. Carrier agrees to transport shipments with reasonable dispatch. Carrier does not guarantee rail service within any particular time frame. Carrier's maximum liability of cargo is the lower of its original cost or the cost of the replacement. Carrier is not liable for special or consequential damages or for damages due to market decline.
5. Carrier will not be responsible for any loss, damage or delay to cargo that occurs outside of the US.
6. A claimant must mitigate its damage by acceptance of damaged cargo unless the goods are totally worthless. A claimant may not abandon damaged goods to Carrier when the damaged lading retains more than minimal value. Product that is abandoned to Carrier in an undamaged condition will be sold and the salvage proceeds only, less salvage expenses, will be remitted to the owner.
7. There shall be no presumption of carrier fault for the loss, damage or delay of cargo. The burden of proof to establish the fault of Carrier is upon the claimant. Carrier is not liable for any loss, damage, or delay of cargo, except where Carrier's intentional act(s), omission(s), or gross negligence is the direct and proximate cause of the injury. If Carrier's act or omission is not the sole cause of the injury but contributes to the loss, damage or delay to the cargo, then Carrier will be liable only for that portion of the injury as corresponds to its comparative fault.

**Item 235 – Cargo Loss, Liability and Claims Continued:**

8. Carrier's maximum liability for lading in each railcar is \$50,000.00. IANR will not be liable for damage where IANR's liability is determined to be less than \$250.00 per railcar. No claim will be filed or paid for injury to lading of less than \$250.00 per railcar.
9. As a condition precedent for recovery against the Carrier, a claim for loss, damage or delay to the cargo must be filed within nine months of the date of the delivery of the cargo. Should Carrier decline a claim, suit thereon may not be brought more than six months after the date of Carrier's written declination. Federal carrier law governs the determination of liability; no State or common law causes of action will be recognized. A lawsuit against Carrier based on indemnification must satisfy the aforesaid time limitations for filing a claim and for initiating a lawsuit.
10. All claims must be in writing and include the following:
  - Information identifying the rail shipment, including car initial and number, shipper's/consignor's and consignee's/receiver's name, address and telephone number, shipping date and commodity.
  - Bill of Lading
  - Original or copy of invoice showing the cost of goods
  - Origin scale weights if bulk shipment.
  - Origin records or certification on the condition and quantity of the lading at the time the goods were received from the origin carrier.
  - Destination records or certification on the condition and quantity of the lading at the time the goods were received from the destination carrier
  - A demand for payment of a specific amount, including the formula or basis on which the damages are calculated, plus, evidence in support of the calculation
  - Documentation as to disposition of damaged lading and the salvage proceeds there from.

All freight loss, damage or delay claims filed with IANR shall be mailed to:

Freight Claim Administrator  
Iowa Northern Railway  
305 2<sup>nd</sup> Street SE  
Paramount Building, Suite 400  
Cedar Rapids, Iowa 52401

\*As used in this item, "Carrier" includes IANR and all of its connecting line haul and switching railroads.

**Item 240 – Storage**

**Issued September 9, 2009 – Effective October 1, 2009 (Change in Wording)**

Only Empty 60’ or smaller non hazardous cars will be considered for storage.

The IANR will not pay per diem or mileage on cars stored. Car owners and owner’s agent who choose to use the above rates for switching and storage forever indemnify and hold the IANR harmless from and against any loss, claim or liability (including reasonable attorney’s fees) for injury or damage to persons or property caused directly by the act or omission by the car owner or owner’s agent, caused directly by the act or inaction of the IANR or caused by acts of God.

Rates will reflect carrier availability and are subject to change without notice

**Item 250 – Points of Interchange and Names of Carriers Interchanged With**

**Issued September 9, 2009 – Effective October 1, 2009 (New)**

Interchange Point

Manly, IA  
Nora Springs, IA  
Cedar Rapids, IA  
Cedar Rapids, IA  
Cedar Rapids, IA  
Waterloo, IA  
Waterloo, IA

Carrier

Union Pacific Railroad  
DM&E – CPR (Formerly IC&E)  
Canadian National Railroad  
Union Pacific Railroad  
Cedar Rapids and Iowa City Railroad (CRANDIC)  
Union Pacific Railroad  
Canadian National Railroad

**EXPLANATION OF ABBREVIATIONS**

Abbreviation

Explanation

|      |   |
|------|---|
| IA   | Iowa                                      |
| IAIS | Iowa Interstate Railroad                  |
| IANR | Iowa Northern Railway                     |
| IC&E | Illinois Central & Eastern                |
| DM&E | Dakota, Minnesota and Eastern             |
| OPSL | Official List of Open and Prepay Stations |
| RPS  | Railroad Publication Services             |
| UFC  | Uniform Freight Classification            |
| CP   | Canadian Pacific Railroad (CPR)           |
| CN   | Canadian National Railroad                |
| UP   | Union Pacific Railroad                    |
| CIC  | Cedar Rapids and Iowa City Railroad       |