

HONDO RAILWAY, LLC
(HRR)

FREIGHT TARIFF HRR 2022
(CANCELS ALL PRIOR FREIGHT TARIFFS)

CONTAINING
LOCAL SWITCHING AND ACCESSORIAL
CHARGES AT LOCATIONS ON
THE HONDO RAILWAY

APPLICABLE ON INTERSTATE TRAFFIC AND INTRASTATE TRAFFIC
IN THE STATE OF TEXAS

LOCAL FREIGHT TARIFF

ISSUED: SEPTEMBER 30, 2022

EFFECTIVE: DECEMBER 1, 2022

ISSUED BY:
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**HONDO RAILWAY, LLC
FREIGHT TARIFF HRR 2022**

METHOD OF ADDING, CHANGING, OR DELETING ITEMS IN THIS TARIFF

Changes to this tariff will be made by supplement or by restating the tariff in its entirety.

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SECTION 1
GENERAL RULES

ITEM 1.1 - LIST OF CONNECTING LINES AND INDUSTRY SERVED

CONNECTING LINES:

BNSF Railway
Union Pacific Railroad

POINTS OF CONNECTION:

Hondo, Texas
Hondo, Texas

INDUSTRY/CUSTOMERS CURRENTLY SERVED:

South Texas Liquid Terminal, Inc.

915 Carter Avenue
Hondo, Texas 78861

South Texas Ethanol Terminal, Inc.

917 Carter Avenue
Hondo, Texas 78861

Rail Transloading Resources One, LLC

1035 Carter Avenue
Hondo, Texas 78861

Pilot Travel Centers

1274 Carter Avenue
Hondo, Texas 78861

Martin Asphalt

429 Zachry Ln
Hondo, Texas 78861

Tactical Cleaning Company

Carter Avenue
Hondo, Texas 78861

Jim H. Wilson, LLC

Carter Avenue
Hondo, Texas 78861

ITEM 1.2 - CAR DELIVERY

Delivery of car(s) to consignor/consignee shall be at HRR's ordinary operating convenience. Ordinary operating convenience is defined as the time that is most advantageous to HRR in relation to its coordinated, efficient, and effective switching activities.

ITEM 1.3 - HOLIDAYS

Whenever reference is made to "holidays" it shall mean only the days listed below:

New Year's Day - January 1

Independence Day - July 4

Labor Day - First Monday of September

Thanksgiving Day - Last Thursday in November

Christmas Day - December 25

ITEM 1.4 - CONGESTION RESULTING FROM RAIL CUSTOMER MAY RESULT IN AN EMBARGO

If a rail customer's excessive retention of railcars (whether or not related to the customer's credit/security experience) results in operational congestion, as determined by HRR, of the customer's and/or HRR's rail tracks, HRR may impose an embargo against the customer's receipt of further railcars until the congestion is eliminated.

ITEM 1.5 - HAZARDOUS MATERIALS

Hazardous materials, substances or waste as described in HAZARDOUS MATERIALS REGULATIONS of the U.S. Department of Transportation will only be handled upon request and upon approval by HRR, and after rail customer has complied with all applicable laws, rules and regulations to HRR's reasonable satisfaction.

ITEM 1.6 - MILEAGE ALLOWANCE ON PRIVATELY OWNED CARS

HRR will not pay mileage charges on privately owned cars while cars are on its lines.

ITEM 1.7 - CREDIT & FINANCE CHARGES

Credit will be granted solely at the discretion of HRR. All charges contained in this tariff will be billed by HRR and paid by the responsible party in U.S. funds, in full, within fifteen (15) calendar days from the date of the bill.

Notwithstanding anything to the contrary in this tariff, if a rail customer does not pay the charges in a bill received from HRR within the time period specified in this tariff, or if HRR otherwise has reasonable cause to question a rail customer's ability or intention to make timely payments, HRR, at its sole discretion, may revoke customer's credit with HRR and require customer to pay HRR cash in advance of delivery of services ("COD") prior to HRR providing pick-up and/or delivery of customer's railcars. HRR will give the customer ten (10) days' written notice before the provisions of this paragraph are invoked.

HRR may assess a finance charge of 12% per year (0.0329% per day) on charges that are not received by HRR when due. The finance charge will be assessed on the unpaid balance of any charge from the first day following the due date through the date of receipt of payment in full.

SECTION 2
SWITCHING

ITEM 2.1 - SWITCHING OF LOADED CARS

HRR will assess a charge of \$400.00/\$450.00/\$500.00 per car (see below) for the switching of a loaded car from one location on the HRR to another location on the HRR.

ITEM 2.2 - SWITCHING OF EMPTY CARS

HRR will assess a charge of \$400.00/\$450.00/\$500.00 per car (see below) for the switching of an empty car not related to a prior or subsequent loaded movement switched by HRR from one location on the HRR to another location on the HRR.

ITEM 2.3 - RECIPROCAL/INTERCHANGE SWITCHING

HRR will perform reciprocal/interchange switching between industries on its line and interchange with BNSF and UP at Hondo, Texas at the following per car charges:

(1)	Ethanol - Unit Train (placard UN1987):	\$450.00
(2)	Ethanol - Manifest (placard UN1987):	\$500.00
(3)	All other hazardous commodities:	\$500.00
(4)	All non-hazardous commodities:	\$400.00
(5)	Last movement for dismantling – hazardous	\$250.00
(6)	Last movement for dismantling – non-hazardous	\$200.00

Billing:

- (1) HRR will bill the interchanging carrier on loaded traffic for all industries.
- (2) HRR will bill the industry on empty in/empty out traffic for all industries.
- (3) If HRR cannot bill the interchanging carrier for any reason, or if the interchanging carrier fails to pay HRR when due for any reason, HRR reserves the right to bill the industry.

ITEM 2.4 - INTRA-PLANT SWITCHING

HRR will assess a charge of \$175.00 per car for the switching of loaded or empty cars after initial placement for unloading, loading, storage or constructive placement.

ITEM 2.5 – INTERMEDIATE SWITCHING

An intermediate switch is a switching movement by HRR that neither originates nor terminates the shipment, where HRR does not receive a line haul division or other charge on that shipment. Except as otherwise provided, HRR will assess an intermediate switching charge of \$250.00 per car against the carrier delivering to HRR, applicable to loaded and empty cars. As way of illustration, if connecting line brings in cars that are not destined for HRR customers, this charge applies.

ITEM 2.6 - SPECIAL TRAIN SERVICE

When no engine or crew is available and engine and crew is specifically requested by the shipper or consignee, cars may be handled in special (not regular) service. The charge for this special service will be \$250.00 per hour, subject to a minimum charge of \$2,500.00. The special service charge shown herein will be in addition to any applicable switching charges.

ITEM 2.7 - CARS RELEASED AND SUBSEQUENTLY RETURNED TO INDUSTRY

For cars released on Customer's orders which are pulled by HRR and interchanged with connecting carrier and returned by connecting carrier due to insufficient information from Customer, a charge of \$550.00 per car will be assessed to the Customer. Demurrage charges will continue to apply until cars are released.

ITEM 2.8 - CARS RELEASED IN UNACCEPTABLE CONDITION

If cars released by a Customer cannot be pulled due to unacceptable condition of the car, a charge of \$550.00 per occurrence will be assessed to the Customer in addition to all other applicable charges. As way of illustration, if a customer does not properly secure all hatches this charge will apply.

ITEM 2.9 - CARS RELEASED PREMATURELY

For cars released prematurely by Customer, then placed back in railcar tracking software and/or on Customer's track at Customer's request, a charge of \$550.00 per car will be assessed to the Customer.

SECTION 3 **DEMURRAGE**

ITEM 3.1 - GENERAL APPLICATION

The demurrage rules and charges published in this section apply at all points on the HRR.

ITEM 3.2 - CARS SUBJECT TO DEMURRAGE RULES AND CHARGES

Railroad, railroad controlled, and private cars held for or by consignors and consignees for any purpose are subject to demurrage rules and charges in this section (see Exception).

Exception: Demurrage rules and charges will not apply on empty or loaded private cars while held on private tracks.

ITEM 3.3 - ACTUAL PLACEMENT

Actual Placement is made when a car is placed in an accessible position for loading or unloading or at a point previously designated by the consignor or consignee.

ITEM 3.4 - CONSTRUCTIVE PLACEMENT

When a car cannot be actually placed because of a condition that is not attributable to Railroad, such car may be held by Railroad at available hold point and notice shall be sent or given to the consignor or consignee that the car is being held and that Railroad is unable to effect placement; however, if the car is placed on private track, industrial interchange track or other-than-public delivery track serving the consignor or consignee, the car will be considered constructively placed without notice.

ITEM 3.5 - FREE TIME

Forty-eight (48) hours free time will be allowed for loading and unloading. Free time will be computed from time of placement or time of notification, where required.

ITEM 3.6 - DEMURRAGE CHARGES

On cars subject to demurrage charges, after expiration of free time, a charge of \$75.00 per car per day will be assessed until the car is released.

ITEM 3.7 - RAILCAR HIRE CHARGES

In addition to above demurrage charges, if railcar hire charges are levied against HRR for railroad owned or leased cars deployed by customer, a charge of \$35.00 per car per day will be assessed to customer until the car is released.

ITEM 3.8 - DISPUTES

In the event that customer disputes the demurrage or other charges received in a bill, the following procedures must be applied:

- (1) The dispute must be specific in nature, applying to a specific car or groups of cars, related to time of actual or constructive placement, release or application of the rules contained in this tariff.
- (2) The dispute must be submitted to HRR via email to: miles@hondorailway.com.
- (3) The dispute must be submitted within fifteen (15) calendar days from the date of the bill. If a dispute is not received within this time, the bill will be considered correct and must be paid.
- (4) Customer must pay the undisputed amount at the time the dispute is filed, according to normal payment procedures.
- (5) Amounts in dispute will not be considered past due until fifteen (15) days after the dispute resolution is concluded by HRR.