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SOUTHERN RAILWAY OF BRITISH COLUMBIA LIMITED (SRY)

FREIGHT TARIFF SRY-611-C

APPLYING ON

CAR DEMURRAGE RULES AND CHARGES

ON

IMPORT OR EXPORT TRAFFIC

ORIGINATING AT OR DESTINED TO POINTS

ON THE SRY

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NOTICE

The provisions published herein will, if effective, not result
in an effect on the quality of the human environment.

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TARIFF SRY 611-C
GENERAL APPLICATION OF TARIFF RULES AND REGULATIONS ON IMPORT AND EXPORT SHIPMENTS

INDEX

| Topic | Item | Page |
|--|------|------|
| Application | 100 | 4 |
| Cars held for loading | 500 | 7 |
| Cars held for purposes other than loading or unloading | 700 | 9 |
| Cars held for complete unloading | 600 | 8 |
| Congestion/Embargo | 150 | 4 |
| Constructive Placement | 200 | 5 |
| Demurrage plan and charges | 800 | 11 |
| Equipment rates | 750 | 10 |
| Glossary of terms | 2000 | 12 |
| Holidays | 50 | 3 |
| Interpretation of term | 40 | 3 |
| Method of Canceling items | 30 | 3 |
| Non-application | 200 | 4 |
| Notification to SRY | 400 | 7 |
| Notification to consignor and consignee | 300 | 6 |
| Responsibility for Demurrage Charges | 250 | 5 |
| Security Deposit | 135 | 4 |
| Station list conditions | 10 | 3 |
| Claims for relief of charges | 250 | 4 |
| Supplements and reissues | 20 | 3 |

TARIFF SRY 611-C
GENERAL APPLICATION OF TARIFF RULES AND REGULATIONS ON IMPORT AND EXPORT
SHIPMENTS

ITEM 10
STATION LIST CONDITIONS

This tariff is governed by the “Official List of Open and Prepay Stations” ICC OPSL 6000 Series, issued by Station List Publishing Company, Agent. Refer to OPSL 6000 series for additions and abandonment of stations, for prepay requirements, for changes in names of stations, for restrictions as to acceptance or delivery of freight and for changes in station facilities.

ITEM 20
SUPPLEMENTS AND REISSUES

Where reference is made in this tariff, or supplements, to other publications for rates or other information, it includes supplements thereto or successive issues thereof. Where reference is made in this tariff to items it includes “reissues” of such items.

ITEM 30
METHOD OF CANCELLING ITEMS

As this tariff is supplemented, numbered items with letter suffixes cancel correspondingly numbered items in the original tariff or in a prior supplement. Letter suffixes will be used in alphabetical sequence starting with A. Example: Item 500-A cancels item 500 and 800-B cancels item 800-A in a prior supplement, which in turn, cancelled item 800.

ITEM 40
INTERPRETATION OF TERMS

Interpretation of terms contained herein will be governed by definitions contained in item 2000 of this tariff. For an explanation of terms, see item 2000.

ITEM 50
HOLIDAYS

For the purpose of this tariff, “Holidays” means any one of the following legally proclaimed holidays by Federal, Provincial or Municipal authority:

New Years Day, Good Friday, Victoria Day, Canada Day, BC Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day and Boxing Day.

TARIFF SRY 611-C
SECTION 1
GENERAL CAR DEMURRAGE RULES AND CHARGES ON IMPORT AND EXPORT SHIPMENTS

ITEM 100
APPLICATION

- A. Charges and regulations provided in this tariff apply to the loaded portion of the movement.
- B. Charges and regulations provided in this tariff apply to all railways and privately owned cars held for or by the consignors or consignees, with the exception of private cars on private tracks. (Cars marked CPWX, CNWX, ALPX, ALNX, SKPX and SKNX are considered railway controlled cars and are subject to the demurrage rules and charges contained in this tariff.)
- C. Charges apply only on import or export traffic originating at or destined to a designated transfer facility on SRY.

ITEM 135
SECURITY DEPOSIT

SRY has the right to demand that a rail customer, responsible for the payment of demurrage, which has a history of delinquency or non-payment of demurrage charges, not in bona fide dispute, provide assurance for the timely payment of those charges. Such 'assurance' will be required in one of the following forms:

Payment upon incurrence of the charges by deposit with SRY of cash, letter of credit, surety bond or other suitable guarantee in the amount equal to average monthly demurrage bill, as calculated over the past six months. SRY will determine the suitability of the security tendered. All instruments on deposit are hereinafter referred to as 'security'.

If a demurrage bill incurred by a customer subject to the afore stated security, not in bona fide dispute, is not paid when due, immediately thereafter, SRY will satisfy the bill by drawing against the security.

Because deposits are established due to delinquencies or non-payment of demurrage charges, no interest will be paid by SRY on any security deposited with it. It is within the discretion of the SRY to determine when issues of delinquency have been resolved and when the rail customer is no longer required to maintain a security deposit. Should rail service to the customer no longer be required, the security on deposit will be released and returned, upon satisfaction of all outstanding demurrage bills.

ITEM 150
CONGESTION RESULTING FROM RAIL CUSTOMER MAY RESULT IN EMBARGO

If a rail customer's excessive retention of railcars (whether or not related to the customer's security deposit experience) results in operational congestion as determined by SRY of the customer's and/or of SRY's rail tracks. SRY may impose an embargo against the customer's receipt of further railcars until the congestion is eliminated" Carrier also reserves the right to assess a congestion charge as outlined in SRY Supplemental Services Tariff

TARIFF SRY 611-C
SECTION 1
GENERAL CAR DEMURRAGE RULES AND CHARGES ON IMPORT AND EXPORT SHIPMENTS

ITEM 200
CONSTRUCTIVE PLACEMENT

Notification will be given to the transloader that the car has in effect been placed or is available

1. for loading or unloading.
2. A car will remain on constructive placement until the railway receives spotting instructions from the shipper.

ITEM 250
RESPONSIBILITY FOR DEMURRAGE

- A. The Transloader, as defined herein (see Item 2000), is responsible for all demurrage charges that accrue during the loaded cycle of a car as described herein.

EXCEPTIONS:

1. If SRY is advised in writing that a Special Agreement has been entered into between the Shipper and the Consignee, Consignor or Transloader, stating that either the Consignee, Consignor is willing to accept total financial responsibility for demurrage charges incurred by the Transloader. Note that the Transloader recorded on the Bill of Lading of the car will always remain legally responsible for the payment of all monthly demurrage charges.

TARIFF SRY 611-C
GENERAL CAR DEMURRAGE RULES AND CHARGES ON IMPORT AND EXPORT SHIPMENTS

ITEM 300
NOTIFICATION TO CONSIGNOR OR CONSIGNEE

- A. The following notification will be furnished as indicated:
1. Cars for other than Public Delivery Tracks:
 - a. Notice of constructive placement if cars are held on SRY tracks due to reason attributable to the consignor or consignee.
 - b. Delivery of car upon tracks of consignee will constitute notice.
 - c. When two or more parties, each performing their own switching, take delivery of cars from the same interchange tracks, notice will be given when cars are placed on the interchange track.
 2. Cars for Public Delivery Tracks:
 - a. Notice will be given to the party entitled to receive notification when car has arrived at destination terminal.
 3. Cars stopped in transit:
 - a. Notice will be given to the consignor, consignee or owner responsible for the car being stopped upon arrival of the car at the point of stoppage.
 4. Refused Loaded Car:
 - a. When a loaded car is refused at destination, SRY will give notice of such refusal to the consignor or owner.
- B. When notification is required, the following effective dates and times will govern.
1. Canada Post – The date and time mailed by SRY.
 2. Electronically or verbally – The date and time sent or given, as recorded by SRY.
- C. Notification will contain the following:
1. Car Initial and number.
 2. Commodity.
 3. Time and date.

TARIFF SRY 611-C
GENERAL CAR DEMURRAGE RULES AND CHARGES ON IMPORT AND EXPORT
SHIPMENTS

ITEM 400
NOTIFICATION TO SRY

1. When railroad personnel are not on duty to receive forwarding instructions, empty release information or other disposition. Consignor or consignee will have until 9:00AM the next day that personnel are on duty to receive such instructions, and they will be considered as having been furnished at the date and time the instructions could have been furnished

2. When electronic or mechanical devices are used to furnish notification to SRY, the recorded date and time that instructions are received will govern.

ITEM 500
CARS HELD FOR LOADING

Applicable to cars held for loading.

Loading is the complete or partial loading of a car in conformity with SRY, Railway Association of Canada (RAC) and Association of American Railroads (AAR) loading and clearance rules, and the advice the car is available for movement, and the furnishing of Forwarding Instructions.

TENDER:

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

RELEASE:

- A. Date and time forwarding instructions are received by SRY and advice that a car is available for movement.
- B. Cars placed on industrial interchange tracks of a consignor/loader doing its own switching must be returned to the industrial interchange track by the consignor/ loader to be considered released as described in paragraph A.
- C. Cars found to be improperly loaded or overloaded at origin will not be considered released until the load has been adjusted properly.
- D. A car to be held for official grading or inspection at origin will not be considered released until such time as the grading and inspection is complete.

COMPUTATION:

- A. Time will be computed from the first 7:00 AM after tender until release.

Continued on next page

TARIFF SRY 611-C
GENERAL CAR DEMURRAGE RULES AND CHARGES ON IMPORT AND EXPORT
SHIPMENTS

ITEM 500
CARS HELD FOR LOADING
(Concluded)

COMPUTATION: (continued)

- B. If car is placed prior to the date for which it was ordered from SRY, time will be computed from the first 7:00 AM on the date for which it was ordered. Demurrage days will then accrue until the car is released.
- C. On cars for reloading, Demurrage time for the UNLOADING cycle will terminate and demurrage time for the (RE) LOADING cycle will be computed from the first 7:00AM after notification is received by SRY that the car is empty. Demurrage time for LOADING will continue until the car is released to SRY loaded. Car will NOT be considered released until complete Forwarding Instructions are received by SRY. (See Example 2 of Item 800 for an explanation of demurrage calculations for reloading).
- D. When a car is actually placed, or constructively placed, and released prior to 3:00 PM the same day, one (1) demurrage day is accrued. The maximum credit days allowed will be one (1) day.
- E. When an empty car is placed for loading and movement via a specific route in conformity with Car Service Rules or Directives, and the loaded car is offered for movement via some other route and refused by the railway necessitating unloading, demurrage shall be charged from the first 7:00 AM after placement until the car is unloaded and no credit allowance shall be made.

CARS HELD FOR LOADING

CREDITS:

- A. Two (2) credits will be allowed for each car released from unloading
- B. An additional 24 hours free time will be allowed when either a consignor or consignee moves rail cars with their own locomotive power to and from the SRY industrial interchange location and their own loading and/or unloading facility on a year round basis.

ITEM 600
CARS HELD FOR COMPLETE UNLOADING

Unloading is the complete unloading of a car and advice from the consignee to SRY that the car is empty and available to SRY.

TENDER:

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

Continued on next page

TARIFF SRY 611-C
GENERAL CAR DEMURRAGE RULES AND CHARGES ON IMPORT AND EXPORT
SHIPMENTS

ITEM 600
CARS HELD FOR UNLOADING
(Concluded)

RELEASE:

- A. Date and time that SRY received advice that the car is empty.
- B. Cars placed on interchange tracks of a consignee doing its own switching, must also be returned to the interchange track for release and notification to SRY provided
- C. When cars are loaded by SRY, those cars will be released at the time the request to unload is received by SRY from the consignee.
- D. On cars for reloading, Demurrage time for the UNLOADING cycle will terminate and demurrage time for the (RE) LOADING cycle will be computed from the first 7:00 AM hours after notification received by SRY that the car is empty. Demurrage time for LOADING will continue until the car is released to SRY loaded. Car will NOT be considered released until complete Forwarding Instructions are received by SRY (See Example 2 of Item 800 for an explanation of demurrage calculations for reloading.)

COMPUTATION:

- A. Time will be computed from the first 7:00 AM after tender until release.
- B. When a car is actually placed, or constructively placed, and released prior to 3:00PM the same day, one (1) demurrage day will be accrued. The maximum credit days allowed will be one (1) day.

CREDITS:

- C. Two (2) credits will be allowed for each car released from unloading
- D. An additional 24 hours free time will be allowed when either a consignor or consignee moves rail cars by their own locomotive power to and from the SRY industrial interchange location and their own loading and/or unloading facility on a year round basis.

ITEM 700
CARS HELD FOR PURPOSES OTHER THAN LOADING AND UNLOADING

APPLICABLE TO CARS HELD:

- A. On orders of consignor or consignee.
- B. While awaiting proper disposition from the consignor or consignee.
- C. As a result of conditions attributable to consignor or consignee.
- D. Waiting For Customs Clearance.

DISPOSITION:

The information, including Forwarding Instructions or empty release, which allows SRY to either tender or release the car from the consignor's or consignee's account.

Continued on next page

TARIFF SRY 611-C
GENERAL CAR DEMURRAGE RULES AND CHARGES ON IMPORT AND EXPORT
SHIPMENTS

ITEM 700
CARS HELD FOR PURPOSES OTHER THAN LOADING AND UNLOADING
(Concluded)

TENDER:

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

RELEASE:

Date and Time that SRY received advice that the car is empty, or the Date and Time that Forwarding Instructions are received.

COMPUTATION:

Time will be computed from the first 7:00 AM after placement.

B. Credits will NOT be allowed for:

1. Empty cars ordered and not used.
2. Loaded private cars returned to SRY tracks to be held for disposition.

C. No credits will be allowed for empty rejected (bad order) cars. Shipper shall have one (1) day commencing with the first 7:00 AM after placement or 7:00 AM of date ordered, whichever is later, to notify SRY of cars rejected without assessment of charges.

| ITEM 750 EQUIPMENT RATES | CHARGE (Per Car/ Per Day) |
|--|------------------------------|
| EQUIPMENT TYPE | |
| (As specified in Tariff RER 6412 Series or subsequent reissues thereof) | |
| 1. All loaded private cars: | \$60.00 |
| 2. All railway - owned or leased cars: (Includes all Canadian Government Grain Cars with the following marks: CPWX, CNWX, ALPX, ALNX, SKPX, SKNX) | \$60.00 |

TARIFF SRY 611-C
SECTION 1
GENERAL CAR DEMURRAGE RULES AND CHARGES ON IMPORT AND EXPORT SHIPMENTS

ITEM 800
DEMURRAGE PLAN AND CHARGES

Settlement of charges will be made on a monthly basis on all cars released during each calendar month (Note. Release of a loaded car is completed only when SRY is provided with complete Forwarding Instructions.)

Settlement will be made in the currency of the country in which the demurrage occurred.

Credits earned and demurrage days accrued by customers having facilities at separate stations cannot be combined.

Credits earned and demurrage days accrued will be calculated SEPARATELY for the following:

- Cars held for loading.
- Cars held for complete unloading.
- Cars held for any purpose defined in Item 700 of this tariff.

Excess credits earned in one calendar month cannot be used to offset demurrage days in another calendar month.

Demurrage charges will be assessed against the consignor at origin or consignee at destination who will be responsible for payment, within 7 calendar days after date of bill. (See item 250) unless SRY is otherwise advised in writing by BOTH parties that another party is willing to accept responsibility for demurrage, the party responsible for paying the freight charges will also be responsible for the payment of all demurrage charges.

CALCULATION OF CHARGES:

- Total demurrage days for all cars released will be added.
- Total credits for all cars released will be added.
- If total credits exceed total demurrage days, demurrage charges will NOT be assessed.
- If total demurrage days exceed the total credits, calculation of charges will be made as follows:

- Subtract number of total credits from total demurrage days to determine Chargeable Demurrage Days.
- The number of Chargeable Demurrage Days will be assessed in accordance with item 750 of this tariff.

TARIFF SRY 611-C
SECTION 1
CAR DEMURRAGE RULES AND CHARGES ON IMPORT AND EXPORT SHIPMENTS

ITEM 2000
GLOSSARY OF TERMS

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 or party loading or unloading the car.

BAD ORDER – Refers to rail equipment (cars) in need of repair and not fit for use by customer.

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

SRY - Southern Railway of British Columbia Limited

SRY CONTROLLED CAR – A car bearing other than SRY reporting marks provided to SRY directly by car companies or others for use by SRY in serving any of its customers.

CONSIGNEE – The party designated on the bill of lading as the entity entitled to receive delivery of the car from the carrier.

CONSIGNOR – The party designated on the bill of lading as the entity which has caused the car to be consigned in transportation.

CONSTRUCTIVE PLACEMENT – When a car, including order notify, in bond shipments, no bills of lading cannot be physically placed or moved because of any condition attributable to the consignor, consignee, loader or unloader, such car will be held on SRY tracks and notice will be sent to the party entitled to receive notification that the car is held awaiting disposition instructions. Such cars which have been placed by SRY on private or other than public delivery tracks, including lead tracks serving the consignor, consignee, loader, or unloader will be considered constructively placed without notice and subject to the demurrage provisions contained in this tariff.

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.

CONSTRUCTIVE PLACEMENT TIME - the time from constructive placement notice until the car is ordered for placement

CREDIT – Non-chargeable demurrage day. Credits can only be earned on those cars released.

DEBIT – See description of term for Demurrage Day

DEMURRAGE DAY – A twenty-four (24) hour period, or part thereof, commencing at 07:00 A.M. after tender. May also be referred to as “Debit“

(Continued on next page)

TARIFF SRY 611-C
SECTION 1
CAR DEMURRAGE RULES AND CHARGES ON IMPORT AND EXPORT SHIPMENTS

ITEM 2000
GLOSSARY OF TERMS
(Continued)

DISPOSITION – Notification information, including forwarding Instructions or empty release Information, which allows SRY to either tender or release the car from the consignor's, consignee's, loader's or unloader's account.

EMPTY CARS ORDERED AND NOT USED – Empty cars ordered placed or constructively placed for loading and not used in transportation service.

EMPTY RELEASE INFORMATION – Notification given to authorized personnel of SRY, that car is unloaded and available to SRY or is to be held for customer reloading. Notification must include the identity of consignee, party furnishing data, car initial and number.

EXPORT TRAFFIC – Traffic consigned to Ports or a SRY designated transload facility for furtherance beyond (other than points in Canada and the Continental United States of America including Alaska).

FORWARDING INSTRUCTIONS – Shipping instructions, including a complete bill of lading provided to SRY by FAX or EDI, containing all the necessary information that allows for the immediate movement under either line haul or switching rates of SRY.

- When "forwarding instructions" are furnished covering line haul movement, this information must include the shipper, consignor, consignee, destination, route, commodity description, whether prepaid or collect and full instructions relative to stop-offs.
- Advice received by SRY to move a car from a shipper's loading or storage track to SRY's yard or hold track to be held for "forwarding instructions" whether furnished by the party loading the car or another party or a bill of lading or and order consignee the car to and Agent of SRT which has no beneficial interest in the lading does not constitute forwarding instructions or a release from demurrage.
- A bill of lading, or other suitable order covering cars(s) requiring clearance from all carriers in the routing will not constitute "forwarding instructions" until clearance is received from all carriers in the routing.

IMPORT TRAFFIC – Traffic (originating outside origins not located in Canada and the Continental United States of America including Alaska) handled via Ports or an SRY designated transload facility for furtherance beyond.

INDUSTRIAL INTERCHANGE TRACK – Designated delivery or receipt track or tracks for the exchange of cars between carrier and industry performing their own switching including industrial switch line acting as Agent for Industry.

LEASED TRACK - Any railway track assigned to a user through a written lease agreement will be treated the same as private track for demurrage purposes.

(Continued on next page)

TARIFF SRY 611-C
SECTION 1
CAR DEMURRAGE RULES AND CHARGES ON IMPORT AND EXPORT SHIPMENTS

ITEM 2000
GLOSSARY OF TERMS
(Continued)

LOADER – Party physically loading the car.

LOADING – The complete or partial loading of a car in conformity with SRY, RAC and AAR loading and clearance rules, advice that the car is available for movement ,and the furnishing of Forwarding Instructions.

LOADED CAR – A car that is completely or partially loaded.

NOTIFICATION – When required, notification will be furnished in writing, electronically, by mechanical devices or verbal, to the party entitled to receive notification. When the party entitled to receive notification utilizes an electronic or mechanical device to accept messages (either in writing or oral form), notification left on such device will be considered as having been given to the party to receive same. Written confirmation or telephone notification will be furnished to the party entitled to receive same when the party entitled to receive notification has furnished a written request to SRY.

OTHER THAN PUBLIC DELIVERY TRACK – Any railway track assigned for individual use, including privately owned or leased track.

PARTIAL UNLOADING – The partial unloading of a car and the furnishing of the Forwarding Instructions.

PRIVATE CAR – A car bearing other than railway reporting marks and which is not a railway owned or controlled car.

PRIVATE TRACK – Any railway track, which is not owned or leased by SRY or partner railways or any railway track assigned for individual exclusive use.

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

RAILWAY CONTROLLED CAR – A car bearing railway reporting marks or a car bearing other than railway reporting marks provided to railway directly by car companies or others for use by a railway in serving any of its customers.

RAILROAD CONTROLLED TRACKS: - Any track not defined as a leased track or private track.

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.

(Continued on next page)

TARIFF SRY 611-C
SECTION 1
CAR DEMURRAGE RULES AND CHARGES ON IMPORT AND EXPORT SHIPMENTS

ITEM 2000
GLOSSARY OF TERMS
(Concluded)

RELEASE – Means the notification received from the consignor or consignee that loading or unloading of the car has been completed and the car is available for movement and forwarding instructions have been received, if applicable. Cars placed on industrial interchange tracks of a industry doing it's own switching, including those tracks of an industrial switch line acting ass Agent of industry, will be removed from tack and considered received and held for disposition as outlined in this tariff.

RELOADING – When a car is held for loading after being released as an empty.

RESHIPMENT – A new set of Forwarding Instructions by which the entire original shipment is forwarded in the same car to another destination.

STCC – Standard Transportation Commodity Code

STOPPED IN TRANSIT – When cars are held on route because of any condition attributable to the consignor or consignee, or owner of the goods.

STOP-OFF – The stopping of a shipment at stations to complete loading and/or partial unloading.

TRANSLOADER – The consignee, party or facility responsible or designated to unload the railcar

TENDER – The notification, actual, or constructive placement of an empty car placed on orders of the consignor or of a loaded car for unloading by consignee.

TENDERED FOR DELIVERY – All cars made available to a customer that have been constructively placed or ordered for placement on the same day.

TIME – Local time applicable, expressed on the basis of the 24-hour clock. Example: 12:01A.M. is expressed as 00:01 Hours.

UNLOADER – Party physically unloading the car.

UNLOADING/UNLOADED – The complete or partial unloading of a car and advice that the car is available for movement and furnishing of forwarding instructions when required.

WITHHOLDING ORDER – On written request, SRY may agree to withhold placement of loaded cars on a consignee's private siding until specifically advised to do so by the shipper. In such case, SRY may make verbal or written notification to the shipper and such cars will be treated as being on constructive placement at destination terminal from the first 07:00 hours after such notification. Such agreements remain in force until cancelled by either party. In terms of such an agreement the shipment shall be deemed to have arrived at its contracted destination and the contract of carriage at an end, and SRY assumes no responsibility for shipments while held on placement withholding order.

(END OF TARIFF)