

STB AORR-2

APPALACHIAN & OHIO RAILROAD COMPANY

CIRCULAR AORR-2

RULES GOVERNING A SERIES TARIFFS

ISSUED BY THE

APPALACHIAN & OHIO RAILROAD COMPANY

This Circular applies only when a tariff issued by this Railroad makes specific reference hereto.

This Circular shall apply on interstate or intrastate traffic.

ISSUED March 15, 2006

EFFECTIVE March 15, 2006

Issued By:

***Larry E. Davis
VP – MARKETING AND SALES
1500 Kentucky Avenue
Paducah, Kentucky 42003***

RULES AND OTHER GOVERNING PROVISIONS

ITEM	SUBJECT	APPLICATION
1	Applicability of Circular	Any party that utilizes an A Series Tariff issued by AORR that is subject to this Circular shall be bound by the terms and conditions contained herein unless otherwise provided in the A Series Tariff.
2	Other Governing Publications	Applicable provisions and other documents as published in accordance with STB rules and regulations, accounting and operating or STB procedures will, at all times, apply in connection with movements under A Series Tariff referring to this Circular; provided, however, that in the case of conflict with provisions of said documents, the provisions of this Circular shall supersede and govern.
3	Other Governing Publications	In addition to the provisions set forth in Item 2, provisions contained in the following publications shall apply to any and all AORR A Series Tariffs making reference to this Circular: <ul style="list-style-type: none"> * STB UFC 6000-Series-Uniform Freight Classification Tariff with the exception of Rules 24 or 29 contained therein. * STB STCC 6001-Series-Standard Transportation Commodity Code Tariff. * STB OPSL 6000-Series-Official Railroad Station List Tariff. * STB AORR 7001-Series-AORR Switching and Miscellaneous Charges Tariff. * STB NSO 6100-Series-National Service Order Tariff. * STB AORR 6001-Series-AORR Coal Rules Tariff.
4	Term of an A Series Tariff	Any AORR A Series Tariff referring to this Circular shall become effective on the date specified in the A Series Tariff and shall expire on the date specified in the A Series Tariff, except any Railroad which party to a AORR A-series Tariff shall have the unilateral right to withdraw from said Tariff upon 20 days written notice to the Customer utilizing said Tariff.

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5	<i>Automatic Renewal of A Series Tariff/ Withdrawal from an A Series Tariff</i>	<i>AORR A Series Tariffs containing an "Auto Renewal" provision shall be automatically extended for successive additional terms (said term being as defined in each individual A Series Tariff), on each successive anniversary date of the Tariff; however, any Railroad Party to the A Series Tariff shall have the unilateral right to withdraw from said tariff on 20 days written notice to the Customer utilizing said Tariff.</i>
6	<i>Escalation</i>	<p><i>Prices in an individual AORR A Series Tariff will be held firm for the term specified if nothing is provided in the tariff to adjust the price upward or downward. Certain standard escalation provisions may apply when escalation is desired. These provisions, when utilized, are defined as follows:</i></p> <p><i><u>RCAF</u> - Will provide for a percentage increase or decrease in the price that matches the percentage increase or decrease in the RCAF(U), as published by the Association of American Railroads. This type of adjustment may be applied quarterly, semi-annually or annually as provided in the individual AORR A Series Tariff. The use of this escalator shall not allow the price in question to be reduced below the level of rate in effect on the initial effective date of the tariff.</i></p> <p><i><u>Set Escalator</u> - Will specify a ____% increase in price to be applied on the date specified in the individual A Series Tariff.</i></p> <p><i>In applying any increase or reduction to a particular rate, the rate shall always be rounded to the nearest cent per cwt., gross ton, or net ton, or if priced on a per car basis, to the nearest dollar per car.</i></p>
7	<i>Railroad Liability</i>	<i>Shipments covered by a specific AORR A Series Tariff, making reference to this Circular, shall be subject to the contract terms of the Uniform Straight Bill of Lading which shall be issued by the originating railroad.</i>

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8	<i>Transit Privileges or Services</i>	<i>Shipments moving under a AORR A Series Tariff which are subject to this Circular shall not be accorded transit privileges except track storage in transit privileges will be allowed where such privileges are published in a tariff provided by one of the Railroad's party to the tariff which is granting said privileges or services.</i>
9	<i>Diversion or Reconsignment in Transit</i>	<i>If a shipment subject to the terms of this Circular is diverted or reconsigned in transit while on the tracks of the Appalachian & Ohio Railroad, the provisions of Tariff STB AORR 7001-Series shall apply. If same shipment is diverted or reconsigned while on the track of one of the other Railroad's party to the A Series Tariff, provisions published for their individual accounts, as the case may be, shall be applied.</i>
10	<i>Abbreviation</i>	<i>Where abbreviations of Railroad names, states or Provinces of Canada are used in a AORR A Series Tariff, subject to this Circular, such abbreviations are as explained in the Official List of Open and Prepay Stations STB OPSL 6000-Series.</i>
11	<i>Terms of Shipment and Credit</i>	<i>Shipments made under AORR A Series Tariff, subject to this Circular, may be shipped prepaid or collect. The AORR, when responsible for calculating freight charges and sending the bill to Customer shall observe the credit terms set forth in STB AORR Circular of Credit and Collection Terms 5.</i>

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12	<i>Return Shipments</i>	<i>Should a shipment arrive at a destination covered by a AORR A Series Tariff, subject to this Circular, and be rejected and not unloaded or partially unloaded, Customer may return the shipment to Origin, via the reverse of the inbound route, and Railroads shall assess the rate which was applicable to the inbound shipment, but at the level in effect on the date shipment is tendered for return movement.</i>
13	<i>No Mileage Rates</i>	<i>If a particular AORR A Series Tariff provides for No Mileage Rates applicable in privately-owned or leased equipment, then the Customer agrees to indemnify Railroads for any and all claims received from a car owner for mileage allowance.</i>

EXPLANATION OF ABBREVIATIONS

AORR	<i>The Appalachian & Ohio Railroad Company.</i>
STB	<i>The Surface Transportation Board of the U.S. Department of Transportation</i>
BNLT	<i>But not less than</i>
CWT	<i>Per hundred weight</i>
NET TON	<i>A ton of 2000 lbs each</i>
GROSS TON	<i>A ton of 2,240 lbs. each</i>
RCAF(U)	<i>Rail cost adjustment factor - unadjusted for productivity</i>
CFR	<i>Code of Federal Regulations</i>

EXPLANATION OF TERMS

Other Railroads	<i>Any other RAILROAD who, by becoming a party to an AORR A Series Tariff, becomes a party to the provisions contained in this Circular.</i>
Customer	<i>Any shipper, receiver, consignor or consignee who, by becoming a party to the involved AORR A Series Tariff, and receives benefit of the terms contained therein, becomes a party to the provisions contained in this Circular.</i>