

PAN AM SOUTHERN RAILWAY COMPANY

VISION: BE THE SAFEST, MOST CUSTOMER-FOCUSED AND SUCCESSFUL TRANSPORTATION
COMPANY IN THE WORLD

TARIFF ST 6306-A

RULES AND REGULATIONS PAN AM SOUTHERN FOR HANDLING

“MUNICIPAL SOLID WASTE, CONTAMINATED SOIL, HAZARDOUS MATERIALS, AND RELATED ARTICLES”

(See Rule 50)

ISSUED May 1, 2014

EFFECTIVE **May 1, 2014**

ISSUED BY
Pricing Services
PAN AM SOUTHERN
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RULES AND REGULATIONS FOR HAZARDOUS MATERIALS AND RELATED ARTICLES

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RULE 50 -- WASTE DESCRIPTION

- STCC 28-197-xx – RADIOACTIVE MTL, ARTICLES OR ISOTOPES, NEC
- STCC 40-291-01 – SOIL, CHEMIICAL WASTE CONTAINATED, DRY
- STCC 40-291-05 – SOLIDS OR DEBRIS, OT SOIL LOW LEVEL RADIOACTIVE CONTAMINATED, DRY
- STTC 40-291-06 – SOIL, LOW-LEVEL RADIOACTIVE CONTAMINATED, DRY
- STCC 40-291-14 – MUNICIPAL GARBAGE WASTE, SOLID, GROUND
- STCC 40-291-73 – MUNICIPAL OR COMMERCIAL NON-HAZ SOLID WASTE
- STCC 48-xxx-xx – WASTE HAZARDOUS MATERIAL OR WASTE SUBSTANCES
- STCC 48-451-96 – POLYCLORINATED BIPHENYLS OR PCB CLASS 9 UN2315 PG II OR III
- STCC 49-291-27 – RADIOACTIVE MATERIAL LIMITED QUANTITY CLASS 7 UN 2910; UN 2912
- STCC 49-291-33 – RADIOACTIVE MATERIAL
- STCC 49-601-97 – ENVIRONMENTALLY HAZARDOUS SUBSTANCE, SOLID, N O S

RULE 100 -- MUNICIPAL SOLID WASTE (See Rule 50)

RULES AND REGULATIONS FOR HAZARDOUS MATERIALS AND RELATED ARTICLES

When a Shipper tenders PAN AM SOUTHERN a shipment of Municipal Solid Waste the following will apply:

1. DESCRIPTION OF EXCLUDED HAZARDOUS MATERIALS. For purposes of this Offering, "Municipal Solid Waste" shall exclude all DOT regulated hazardous materials as follows:

(a) all waste defined or characterized as hazardous waste under the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. 6901 et seq.) or the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) (42 U.S.C. 9601 et seq.) as each may be amended from time to time, all regulations promulgated thereunder;

(b) all polychlorinated biphenyl (PCB) or PCB contaminated waste; and

(c) all waste defined or characterized as hazardous, chemical, industrial or special waste by either the principal agency of any state of the United States having jurisdiction over hazardous waste transported under this Offering or the principal agency or any foreign jurisdiction with respect to hazardous waste generated from outside the United States and transported under this Offering; provided, however, that the term "Municipal Solid Waste":

(i) Shall exclude radioactive wastes; and

(ii) Shall be construed to have the broader, more encompassing definition where there exists a conflict in the definition employed by two or more governmental agencies having concurrent or overlapping jurisdiction over Municipal Solid Waste transported under this Offering.

2. EQUIPMENT SUPPLY AND STANDARDS. If equipment used for transportation of the Commodity is provided by Shipper it shall not display any railroad marks or logos. Such equipment is subject to the prior approval of the PAN AM SOUTHERN' Mechanical Department(s). No mileage or car hire charges will be paid by PAN AM SOUTHERN for the use of Shipper's equipment. No loaded or empty car will be accepted by the PAN AM SOUTHERN unless the container doors are properly closed and secured and container coverings are properly in position and secured, to the satisfaction of Norfolk Southern.

Cars and containers used in this service must be kept clean and steps must be taken by Shipper to insure that no odor is given off, and containers do not leak. Failure to comply will result in PAN AM SOUTHERN' refusal to move the car. Shipper recognizes that in order for the shipment of the Commodity to be successful, all necessary steps must be taken by Shipper to keep the equipment clean and eliminate as far as possible, any other objectionable aspects of the movement of the Commodity.

Shipper shall be responsible for cleaning the Equipment before its return to PAN AM SOUTHERN, as well as any adjacent or vicinity property at the origin loading location, destination unloading location, and/or any location en route where such Municipal Solid Waste has been loaded and/or unloaded in accordance with applicable federal, state and local laws, regulations, and Shipper will provide the PAN AM SOUTHERN with written certification if requested.

Equipment shall comply with all applicable Federal, state and local laws, rules regulations, permits and licenses, provided that compliance there with shall in no way relieve any Party from any liabilities otherwise assumed. The laws, rules and regulations referred to above, include Association of American Railroads (AAR) Interchange Rules and rules and regulations of the Federal Railroad Administration (FRA). Gross weight on rail of loaded car and container shall not exceed the individual car's stenciled load limit or load limit shown in Universal Machine Language Equipment Register (UMLER) which will govern if there is a difference in stenciled value. As

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well as weight limit on tracks.

(a)Flatcars: Must be made available for inspection and acceptance by PAN AM SOUTHERN' Mechanical

Department(s), prior to being placed in service. When containers used in service under this Offering are equipped with end doors, flatcars which are not equipped with end-of-car cushioning, will not be accepted. Any private rail flatcar proposed for use in service in handling this Commodity may, at the sole discretion of PAN AM SOUTHERN, require the successful completion of additional testing prior to receiving final approval.

If the car meets all applicable regulations and the provisions of this Rule, approval of the flatcar shall not be deemed as a representation by PAN AM SOUTHERN that the flat car is suitable for the proposed service or that it can be operated safely or without restriction in the proposed service. Flatcars for container service must be equipped with positive locking devices or curb restraints that meet AAR standards.

(b)Containers: Containers must meet all design and construction criteria outlined in this Rule. Containers supplied by Shipper must be made available for inspection and acceptance by PAN AM SOUTHERN' Mechanical Department(s), prior to being placed in service.

Customer agrees that in order to ensure that containers withstand normal railroad operations, PAN AM SOUTHERN's Mechanical Department recommends containers placed in service under this rule be equipped with end-of-car cushioning. If Shipper chooses not to so equip containers, then Shipper, notwithstanding any other provision of this rule, shall release PAN AM SOUTHERN from, and indemnify PAN AM SOUTHERN for, any damage to containers or flatcars incurred in normal railroad operations. Shipper also agrees to indemnify and hold harmless PAN AM SOUTHERN for any and all loss, liability claims, fees or costs arising from, related to, or associated with such container's failure and subsequent cleanup.

3.DAMAGE TO SHIPPER CARS & CONTAINERS. In the event of damage to Shipper cars and/or containers caused by PAN AM SOUTHERN, PAN AM SOUTHERN will, in a timely manner and at its sole expense, arrange for movement of the cars and/or containers to the Shipper terminal designated by Shipper and reimbursement for reasonable repair cost. In the event that Shipper's cars and/or containers are damaged beyond repair by PAN AM SOUTHERN, PAN AM SOUTHERN shall pay to Shipper the book value, or the depreciated value as determined by Rule 107 of the AAR Field Manual, whichever is lower. However, if damage is caused by the negligence of Shipper or of its agents or contractors, (e.g., improper loading or weight distribution or Shipper's car or container equipment failure), Shipper will reimburse PAN AM SOUTHERN for PAN AM SOUTHERN' costs and expenses of moving damaged cars and/or containers to a site designated by Shipper and Shipper will scrap or repair the cars and/or containers. The total amount of repairs will not exceed the current value of the cars and/or containers, as determined by Rule 107. Acceptance of repaired cars and/or containers for subsequent use pursuant to this Offering will be subject to the approval of PAN AM SOUTHERN' Mechanical Department.

4.LIMITATION OF LIABILITY.

(a)Movements under this Rule 100 shall be zero-liability with regard to loss or damage to the Commodity(ies) unless otherwise agreed to in writing by PAN AM SOUTHERN. PAN AM SOUTHERN shall have no liability whatsoever for any loss or damage to the Commodity(ies). In the event that Shipper desires a rate under this Rule 100 with full common carrier liability for loss or damage to the Commodity(ies), Shipper shall request the same from PAN AM SOUTHERN, which shall provide such a rate.

(b)Due to the nature and value of the Commodity(ies) and in consideration for the rates provided to

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Shipper, Shipper agrees that, regardless of the nature of the cause of action (whether in contract, tort or otherwise), PAN AM SOUTHERN shall have no liability to Shipper for consequential, incidental, indirect, special or other such economic damages (including but not limited to loss of business, cost of capital, business interruption expenses and fines, lost profits, alternative and/or premium transportation costs and cost of additional leased cars) arising out of or incident to any failure by PAN AM SOUTHERN to provide timely service, including, but not limited to, any failure by PAN AM SOUTHERN to pick-up, deliver or move with reasonable dispatch the Commodity(ies) or any cars moving or intended to move the Commodity(ies), notwithstanding that PAN AM SOUTHERN knew or might reasonably have known of the possibility of such damages.

5. LOADING AND UNLOADING.

(a) Shipper shall be solely responsible for the proper loading and unloading of rail cars and containers, and will comply with the loading rules of the Association of American Railroads and applicable Federal and state laws and regulations regarding the handling of solid waste. Shipper must not load a rail car in excess of its stenciled gross vehicle weight. Shipments moving under the provisions of this Offering will not be weighed, except that PAN AM SOUTHERN may, at its option, weigh carload shipments to verify that the cars have not been overloaded. Overloaded shipments are subject to the terms, provisions, and charges as provided in CR 9542-series publication (Overload Car Rules & Charges) or successor publication. If requested by PAN AM SOUTHERN, for a sample period of time, Shipper shall provide origin weights to PAN AM SOUTHERN. Shipper and PAN AM SOUTHERN or it's agent, will negotiate a mutually agreeable Shipper's Average Weight Agreement.

The Shipper's responsibility shall include obtaining any necessary permits, authorities or permissions required to affect any required unloading of overweight loads and subsequent handling of the material unloaded, as well as maintaining the general order of the operation by providing adequate supervision to supervise the operation. Any reloaded material moved to Destination shall continue to be subject to the provisions of this Offering.

(b) Notwithstanding the provisions of the PAN AM SOUTHERN Conditions of Carriage to the contrary, Shipper shall indemnify and hold harmless PAN AM SOUTHERN or actual owners of Equipment used in the transportation of the Commodities from and against any and all liability for loss or damage (including but not limited to loss or damage to personal property, personal injury and/or death, attorney's fees arising therefrom, or special and consequential damages) resulting from future use of Equipment to the extent such loss, damage, personal injury or death resulted from Shipper's failure or negligence in inspecting and/or decontaminating Equipment prior to release to PAN AM SOUTHERN.

(c) Shipper shall cease loading cars at Origin if for any reason cars are not accepted for unloading within 48 hours of notice of constructive placement.

(d) Shipper shall have the responsibility to obtain and comply with all applicable federal, state and local laws, rules, regulations, permits and licenses required to transfer municipal Solid Waste between modes of transportation. Shipper shall be responsible for paying for all costs associated with obtaining and complying with said requirements, and agrees to indemnify PAN AM SOUTHERN for any and all costs, claims, suits, damages and fees that may arise from the failure to obtain or comply with such requirements.

6. IDENTIFICATION OF ALTERNATIVE DESTINATION. Shipper shall designate both the Primary Destination and an alternate destination for the shipments. All the requirements in this Rule shall apply to the Primary Destination and Alternative Destination. The designation of an Alternative Destination and the satisfaction of the requirements for such a destination, must be satisfied before any traffic can begin moving

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hereunder.

7. NON ACCEPTANCE OF CAR FOR UNLOADING.

(a) Notwithstanding any contrary provisions of this Rule, if Shipper, or any party selected by Shipper, fails for any reason including, but not limited to, the sufficiency of track capacity at the landfill Destination, to accept actual placement at a designated delivery point, which point shall not be located on PAN AM SOUTHERN' property, or to provide for removal of such car from PAN AM SOUTHERN' property, within 48 hours after the giving of notice of constructive placement at Destination, Shipper shall immediately give PAN AM SOUTHERN shipment instructions for the car. Shipper shall be solely responsible for selecting any alternate destination or disposal site, and the parties agree that PAN AM SOUTHERN did not select the alternative disposal site for any shipment moved. If Shipper fails to provide directions for handling the car to an Alternative Destination, within said 48 hours, PAN AM SOUTHERN may at its sole option return the car to Origin or to the alternate backup landfill. Moreover, Shipper shall provide a letter which states that said return movement has received any and all necessary permits and legal approvals to transport and dispose of Commodity returned to original Origin by such return movement.

(b) PAN AM SOUTHERN will also have the right to refuse to accept any loaded car at Origin or interchange for transportation until all loaded cars at Destination are accepted and moved to a point not on PAN AM SOUTHERN' property.

(c) Shipper shall cease loading cars at Origin if any judicial, administrative or enforcement action is commenced, which would prohibit, seek to prohibit, or unduly impede, the proposed operation or the transportation contemplated hereunder. Shipper shall also cease loading cars at Origin if for any reason cars are not accepted for unloading within 48 hours of notice of constructive placement.

(d) If, in PAN AM SOUTHERN' sole judgement, based on PAN AM SOUTHERN' track safety standards for industry tracks, the private industry tracks that are to be used to complete delivery are deemed to be unsafe for rail operations, loaded cars will not be placed on such tracks and such cars shall be declared as not accepted at Destination and shall be subject to paragraphs (a), (b) and (c) of this Section.

8. TRANSPORTATION OF WRAPPED BALES OF MUNICIPAL SOLID WASTE (40 291 73)

The following specifications describe the transportation of airtight, watertight, wrapped bales of Municipal Solid Waste, hereinafter, the "Bales". The specifications set forth minimum requirements only.

(a) Industry represents that the loading facility at Origin has the necessary environmental permits for the handling, storing and transloading the Bales. Industry also represents that the handling, storing and transloading of the Bales at Origin and Destination are confined to the indoors or in accordance with facility permit requirements.

(b) Minimum Bale Requirements. Bales must be tightly wrapped on all sides without any gaps or ballooning. Bales shall have a minimum of two (2) layers of wrapping material and 25% overlap to prevent emissions of odor and/or leachate. The wrapping material for the stretch-wrap method shall be made of a low-density polyethylene (LDPE) material. The wrapping tube for the shrink-wrap method shall be made of a high-density polyethylene (HDPE) material. The wrapping material must be tear and puncture resistant to prevent ripping, tearing and/or chaffing, which may be caused by normal rail transportation movements. The baling twine or strap must be bound in a manner that will not damage the wrapping material. Wire is not acceptable. Industry shall not use loading and unloading equipment that will rip, tear and/or shred the wrapping material of the Bales. Upon notice from PAN AM SOUTHERN, Bales must be sprayed with an odor reducing and/or suppressing enzyme.

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(c) Railcar requirements. Industry may supply a dedicated fleet of Railcars subject to prior approval of PAN AM SOUTHERN Mechanical. Stretch-wrapped and/or shrink-wrapped Bales may be loaded in PAN AM SOUTHERN approved Containers pursuant to this Rule 100. Boxcars are not acceptable for transporting Bales. Gondolas are acceptable for transporting stretch-wrapped and/or shrink-wrapped Bales. Load design pattern must be approved by PAN AM SOUTHERN Damage Prevention. Gondolas must meet the following criteria, at a minimum:

(1) The interior of the gondola shall have a flat bottom with straight sides. Any necessary interior cross-bracing will be located so as not to obstruct loading or unloading of wrapped Bales.

(d) Cleaning And Maintenance. Industry shall be responsible for the necessary cleaning of each Railcar before its release to PAN AM SOUTHERN, as well as necessary cleaning of any adjacent or vicinity property at Origin, Destination and/or any location en route where such Bales have been loaded and/or unloaded in accordance with applicable Federal, state and local laws and regulations. Industry shall be responsible for the spraying of an odor-reducing enzyme into the Railcar as necessary to insure that no odors are emitted from the Railcar. Industry shall repair and maintain all Railcars used in the transportation of the Bales in accordance with the provisions of the AAR Interchange Rules, as amended or superseded. Railcars shall be cleaned on the inside after each unloading process to assure all waste is removed and outside periodically to prevent buildup of waste residue that could cause odors and/or attract vermin or rodents. Railcars shall undergo a thorough cleaning at least once per year. PAN AM SOUTHERN may inspect, at its sole expense, loaded and/or empty Railcars at the Origin and/or Destination to verify that Railcars and/or Bales are in conformance with this Rule.

(e) Rejection, Suspension and/or Termination of Non-Complying Shipments. PAN AM SOUTHERN has the exclusive right to reject any loaded or empty Railcars that do not comply with the provisions of this Rule. and to immediately suspend shipments of Bales upon receipt of a notice of violation of any applicable ordinance, regulations or law. PAN AM SOUTHERN will notify Industry of the notice of violation. While the suspension is in effect, Industry will have fifteen (15) days to remedy the violation. If the violation has not been resolved in a manner that is acceptable to issuer of the notice of violation and/or PAN AM SOUTHERN, PAN AM SOUTHERN has the exclusive right to cease future shipments of the Bales and immediately terminate the applicable Rate Publication. PAN AM SOUTHERN has the exclusive right to reject the tender of, or suspend and return to industry, any loaded or empty Railcar that in, PAN AM SOUTHERN's sole opinion is emitting foul odors, leaking, infested by vermin or rodents or is generally unclean. PAN AM SOUTHERN may further require Industry to clean such Railcar to the extent that such odor, leakage, infestation or uncleanliness has been eliminated or reduced to a level that is acceptable to PAN AM SOUTHERN prior to acceptance of such Railcar for additional shipments pursuant to this Rule. Industry must identify the contact person to handle and/or correct all notice of violations, complaints and/or cleanup.

9. LIMIT OF PAN AM SOUTHERN' OBLIGATION. PAN AM SOUTHERN shall have no obligation with regard to disposition of waste tendered to it for transportation other than to deliver it to Shipper, or to a landfill operator or other person selected by Shipper, at a Destination site named in the applicable tariff, quote or circular, named in a schedule, or an alternate destination site selected by Shipper.

10. SELECTION OF DISPOSAL LOCATION. All sites selected by Shipper as Primary Destination or Alternative Destination disposal sites for the shipments made hereunder were selected by Shipper alone and Shipper hereby certifies that PAN AM SOUTHERN has not participated in, nor taken any active interest in the site selection for the storage or disposal of the materials transported hereunder.

11. FEDERAL, STATE AND LOCAL LAWS, PERMITS AND THIRD PARTY AGREEMENTS. Shipper shall comply with all applicable federal, state and local laws, ordinances, and regulations, including, but

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not limited to, all laws pertaining to the transportation, transfer, delivery, treatment, dumping, storage and disposal of solid and municipal wastes.

Prior to any transportation hereunder, Shipper shall obtain, and shall maintain in effect at all times, any and all necessary permits or licenses for the transportation, transfer, delivery, treatment, dumping, storage and disposal of waste subject to this Rule, and shall furnish copies of all necessary permits and licenses to PAN AM SOUTHERN. Prior to any transportation hereunder, Shipper shall obtain from the responsible State and local regulatory authorities for each and every State and/or locality in which the subject Commodity is originated, transferred between modes, and disposed, written confirmation, or other documentation deemed sufficient by PAN AM SOUTHERN. to meet this requirement, that all elements of the transportation and disposal of the Commodity, including, but not limited to, transportation, transfer, delivery, treatment, dumping, storage and disposal, meet all legal requirements.

Shipper shall be responsible for compliance with all new or changed laws and regulations which apply to it and affect the proposed operation. Shipper shall immediately advise PAN AM SOUTHERN of any new or changed law or regulation, or any change in its permits or licenses, which may affect the operation.

To the extent that any of Shipper's obligations hereunder, would require that it reach agreements with third parties, including but not limited to the landfill at Primary or Alternative Destination, a receiver, or any other third party reasonably necessary to assure that the movement of Commodity is in compliance with this Rule, Shipper agrees to obtain and implement legally enforceable agreements with said third parties prior to the movement of Commodity. Such agreements would include, but are not limited to, the establishment of a private industry track agreement which among other requirements, sets safety standards for industry tracks.

12.DOCUMENTATION, ACCEPTANCE AND TENDER OF WASTE. Municipal Solid Waste transported under this Rule shall be as described in Rule 50. Such Municipal Solid Waste shall be accompanied by all required shipping documents and shall be properly marked, labeled and placarded as required by applicable federal, state and local laws and regulations.

If requested by PAN AM SOUTHERN, Shipper shall provide PAN AM SOUTHERN with a copy of any waste analysis report that is required to be submitted to any federal or state agency or to the operator of any destination landfill.

13.IMPROPER TENDER. Notwithstanding the other provisions of this Rule, if Shipper, knowingly or unknowingly, tenders or ships any hazardous material or hazardous waste, as defined herein, Shipper shall save, indemnify, defend and hold harmless PAN AM SOUTHERN and its directors, officers and employees from and against any and all claim, loss, damages (including special and consequential damages, or damages caused by sudden accidental pollution), suit, liability and expense arising out of the transportation, transfer, delivery, treatment, dumping, storage or disposal of such hazardous materials, including but not limited to any and all cleanup or decontamination costs, any environmental fines or penalties, and any liability pursuant to Section 107(a) and (b) of CERLCA and any amendments thereto, and for any similar liability pursuant to state or local laws which may hold PAN AM SOUTHERN liable for any release of hazardous waste or materials, regardless of PAN AM SOUTHERN' negligence, and provided that PAN AM SOUTHERN reasonably cooperates with Shipper in the handling of such material after it is discovered to be hazardous.

Shipper shall indemnify and hold PAN AM SOUTHERN harmless from any and all costs, fines, penalties, claims or other expense incurred by PAN AM SOUTHERN (including attorney's fees and other legal or investigative expenses) resulting from any order or directive of any governmental body or agency or any court prohibiting, regulating, restricting or requiring movement of a loaded car of the Commodities, or prohibiting, regulating or restricting delivery of the Commodity at Destination or at any alternate destination or at Origin if the Commodity is returned to Origin pursuant to Section 7 hereof. Such costs shall include transportation costs (including applicable charges for any transportation service performed by PAN AM SOUTHERN), dumping,

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storage, transfer, delivery, treatment or other costs, both direct and indirect, incurred as a result of any such order or directive.

14. INSURANCE.

(a) Shipper agrees to keep in force either commercial or comprehensive general liability insurance with minimum policy limits not less than \$10 million combined single limit per occurrence for bodily injury and property damage. Such policy shall be endorsed to cover the liability assumed under this Rule, and shall not deny coverage for operations conducted within fifty (50) feet of any railroad hazard. Shipper agrees to have its insurance policies covering its handling and storage of product to be contractually endorsed to relate to the indemnification provisions of this Rule.

(b) Shipper shall name PAN AM SOUTHERN as an additional insured under all such policies and shall furnish evidence certifying the existence of such insurance prior to PAN AM SOUTHERN' performance of transportation hereunder. Said evidence of insurance shall contain a provision to the effect that thirty (30) days' advance written notice will be given to PAN AM SOUTHERN of any material change in, or cancellation of, such insurance by the insurance carrier.

(c) PAN AM SOUTHERN and Shipper agree that the coverages and limits set forth herein and provided for by Shipper's insurance in no way limits its liability under the terms of this Rule.

15. INCIDENTS AND CREDITS.

(a) In the event of an incident during transportation over PAN AM SOUTHERN' lines under this Offering involving a "hazardous waste discharge" (as that phrase is defined in 40 C.F.R. Section 260.10 (a) (13)), or "release" of a "hazardous substance" in "reportable quantities" (as those terms are defined by CERCLA, any regulations promulgated pursuant thereto, and Section 311 of the Clean Water Act), each Party shall take immediate action as is required under 40 C. F.R. Part 263, Subpart C (Sections 263.30 and 263.31), and 40 C.F.R, Parts 264 and 265, Subpart D (Sections 264.56 and 265.56), and any other applicable federal or state laws, rules or regulations, including the notification of the proper federal and state authorities.

(b) PAN AM SOUTHERN shall have in effect emergency procedures in the event of a "hazardous waste discharge" or a "release" of Municipal Solid Waste occurring during transportation. Such emergency procedures shall conform with all applicable legal and regulatory requirements and provide for the control and cleanup of the discharge so that any hazard to human health or the environment can be expeditiously eliminated. In the event of a "hazardous waste discharge" or "release" of Municipal Solid Waste occurring on Shipper property, Shipper shall invoke its own emergency plan to control and clean up the discharge.

(c) Regardless of where a "hazardous waste discharge" or a "release" occurs, both parties shall cooperate fully to the extent reasonably necessary to expeditiously and prudently abate or eliminate any hazard; provided , however, that nothing contained in this paragraph shall alter Shipper' s responsibilities and obligations nor PAN AM SOUTHERN' responsibilities and obligations pursuant to this Rule.

(d) In any such incident where the expenses of cleanup are the obligation of PAN AM SOUTHERN under the terms of this Rule, Shipper shall, upon request of PAN AM SOUTHERN and to the extent it is authorized by law and regulation;

(1) accept for disposal Municipal Solid Waste being disposed of by PAN AM SOUTHERN as a result of the cleanup ("PAN AM SOUTHERN' Cleanup Waste"), subject to the parties' mutual agreement on the cost of disposal for additional waste beyond the original waste; and (such

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mutual agreement shall not be unreasonably withheld)

(2)credit against PAN AM SOUTHERN' disposal costs for PAN AM SOUTHERN' Cleanup Waste any monies already collected by Shipper from other parties for the original disposal of the Municipal Solid Waste involved in the incident.

(e)In any such incident where the expenses of cleanup are the obligation of Shipper under the terms of this Rule, PAN AM SOUTHERN shall, upon request of Shipper and to the extent it is authorized by law and regulation:

(1)transport Municipal Solid Waste being disposed of by Shipper as a result of the cleanup ("Shipper's Cleanup Waste"); and

(2)credit against Shipper's transportation costs for Shipper's Cleanup Waste any monies already paid by Shipper to PAN AM SOUTHERN for the original transportation of the Municipal Solid Waste involved in the incident.

(f)If the Shipper, knowingly or unknowingly, tenders or ships any hazardous material, as defined herein, the Shipper assumes the responsibility and liability for the cost and expense arising out of the transportation. transfer, delivery, treatment, dumping, storage, or disposal of such hazardous materials, including but not limited to any and all cleanup or decontamination coats and any environmental fines or penalties pursuant to Section 107 (a) and (b) of CERCLA and amendments thereto, and for any similar liability pursuant to state or local laws which may hold the transporter of hazardous waste liable for any release of hazardous waste or materials.

16.GENERAL REQUIREMENTS – INTERMODAL CONTAINERS.

(a)The following specifications describe an Intermodal, watertight container to be used for the transport of Municipal Solid Waste (MSW), sludges that do not contain any free liquid, soils and ash.

NOTE: This specification sets forth minimum requirements only. It is the responsibility of the Customer to provide containers which the manufacturer has designed and build to meet the use, and wear and tear associated with the particular application, solid waste handling, and railroad use.

(b)The container must have a Certified Test Report from the American Bureau of Shipping, (ABS) or other independent verification agency, that meets all the applicable requirements of the Association of American Railroads, (AAR), AAR M930-90, AAR Marine (Appendix A) and Container Safety Certification (CSC) under ABS "Rules for Certification of Cargo Containers". Certified test reports must be received by PAN AM SOUTHERN before use in the service covered by the Rule (the "Service").

(c)A complete set of engineering drawings and specifications with supporting engineering data that meets AAR and CSC under ABS rules must be submitted to the railroad with Approval Documentation from ABS Engineering Department prior to use in Service.

(d)The container provided by Customer for Service must be a container which the manufacturer has performed all required AAR and CSC tests under ABS rules. All tests must have been supervised and certified by the American Bureau of Shipping (ABS). Design and testing shall have been performed for the gross weight rating at which the container will be used.

(e)The container provided by Customer for Service must be a container which the manufacturer has had

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independent certification of manufacturing processes from ABS during the entire production run. Production certificates from ABS must be provided to PAN AM SOUTHERN prior to use of the container in Service.

(f)The container provided by Customer for Service must be a container which the manufacturer has obtained a CSC safety approval number and an ABS approval number which will be provided to PAN AM SOUTHERN prior to the use of container in Service.

(g)The container provided by Customer for Service must be re-certified on an annual basis to be in compliance with all of the terms of this Rule, and specifically the requirement to not leak or allow release of any odor from commodity.

17.DIMENSIONS – INTERMODAL CONTAINERS.

(a)DIMENSIONS: Container dimensions may vary according to the Customer's system requirements. Nominal standard dimensions used in rail transportation are: length - 20' to 48', width - 8' or 8' 6", height - 4' to 9' -6". Due to the nature of the solid waste business, other sizes may be more efficient maximizing payload and loading / unloading situations. Customer should review container dimensions with PAN AM SOUTHERN to assure the complete system compatibility. Dimensional tolerances shall be as per ABS requirements for Certification of Cargo Containers.

(b)CORNERS: The containers shall be fitted with eight (8) ISO corner castings and shall be located to meet AAR standards and tolerances for a container of the size required. There shall be no protrusion of any kind, including hardware, doors, lids, etc., past the outer envelope of the corner castings.

(c)LOAD TRANSFERS: Load transfer areas on the floor must be provided as per ABS requirements.

18.MINIMUM CONSTRUCTION REQUIREMENTS – INTERMODAL CONTAINERS.

NOTE: This specification sets forth minimum requirements only. It is the responsibility of the Customer to provide containers which the manufacturer has designed and build to meet the use, and wear and tear associated with this application and solid waste handling equipment in general.

(a)Floor shall be designed to handle the design loads of the system and meet ABS loading tests.

(b)Fork pockets shall be installed for unloaded use only, and shall meet AAR design requirements; 81" centers, 14" wide minimum, 41/2" high minimum.

(c)Sidewall design must have smooth interior walls. All side posts shall be full welded to side sheets. Bottom of side sheet and bottom of formed tubes shall be full welded.

(d)All four (4) corners shall have vertical structural welded tubing, between and supporting the top and bottom corner castings. These tubes shall be designed structurally to meet stacking requirements for stacking loaded containers.

(e)A venting system shall be installed in the container to prevent implosion of the container during unloading. Vents can be manually opened and closed, or, passive, always open. Containers will not be air tight with passive venting system.

(f)Top of container may be welded roof or open top with acceptable cover, not tarp. For welded roof containers, the welded roof shall be a minimum of 14 gauge corrosion resistant steel sheet, full welded

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and weather tight. Containers with welded roof must have a fire port welded in top side on driver's side.

(g)Door shall be one (1) piece construction. Liquids present in the loads to be hauled are considered to be a CONTAMINATED WASTE. Therefore it is imperative to have a proven watertight seal system to keep liquids inside the container. A proven design of a neoprene gasket shall be provided between the door and doorjamb mating face to guarantee a watertight seal so that no liquids from the waste material can leak out of the containers. Gasket membrane of durable material and easily replaceable. Manufacturer shall provide design details, sample, and evidence of successful field usage to owner for approval.

(h)Bulkhead shall be designed to resist pressure from loading operations. It shall have vertical structural stiffeners, welded to the bulkhead sheet to resist pressure from loading operations.

19.WATERTIGHT – INTERMODAL CONTAINERS.

(a)Every container must be fully welded on all floor and side wall joints and seams on the inside.

(b)The container shall be watertight welded and prior to use in Service be tested under strict quality control procedures.

(c)Every container must be filled with a minimum of 20" of water for MSW Containers, and filled to the top for sludge containers, and let stand for a minimum of thirty (30) minutes and inspected for watertight integrity. This process, if necessary, must be repeated until the container is inspected and found to have no leaks. The door gasket must be inspected thoroughly during this procedure. Prior to use in Service, a water test certificate shall be provided for each container stating the water test procedure and signed by the quality control manager and plant manager.

20.VERTICAL LIFTING FROM THE TOP – INTERMODAL CONTAINERS.

(a)Each and every container casting and corner post weldment assembly must have been tested and certified by the manufacturer that it has been tested to meet AAR, CSC, ABS requirements to assure casting structural capacity.

21.PREPARATION, BLASTING AND PAINTING – INTERMODAL CONTAINERS.

(a)PREPARATION: Container shall be completely scraped and ground so that all sharp edges have been ground smooth. All exterior and interior surfaces must be thoroughly cleaned.

(b)PAINT: Container shall have had all exterior and interior surfaces primed with one (1) coat of rust inhibitive primer. Exterior sides and roof shall have received one (1) coat of enamel.

(c)PAINT COLOR: To be selected by Customer.

22.LABELING – INTERMODAL CONTAINERS.

(a)Containers shall have letters and numerical decals 6" high to meet AAR requirement and installed on all four (4) sides, and two (2) on the roof. Number sequence to be provided by Customer.

(b)Containers shall have AAR aluminum placard installed.

(c)Containers shall have CSC aluminum placard with CSC approval number installed.

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(d) Containers shall have ABS aluminum placard installed.

(e) Containers shall have ABS decal installed.

23. MAINTENANCE CLEANING – INTERMODAL CONTAINERS.

(a) Customer shall be responsible for providing a strict preventative maintenance program on all containers. This shall include inspection of all welds, gaskets, binders and lids if applicable. All deficiencies shall be noted and promptly repaired.

(b) When loading the container, the Customer must add a product such as N.C.M. 900 or SL 1000 plus or better to control odor.

(c) Every container shall be cleaned after every unloading process to assure all waste material is removed. Containers shall be washed inside and outside periodically to prevent build up of waste material that could cause odors and/or attract vermin or rodents.

RULE 120 -- TRANSPORTATION OF PCBs

When a Shipper tenders PAN AM SOUTHERN a shipment of PCBs (See Rule 50 for description), the following shall apply:

1. LOADING AND UNLOADING.

(a) Shipper shall have the sole responsibility, at its own expense, for properly packaging, labeling, marking, blocking, bracing, placarding, loading, and unloading the Commodity into and out of equipment to be transported. Shipper shall comply with the loading rules of the Association of American Railroads and applicable federal and state loading rules or other loading rules as modified to meet the needs of Shipper subject to approval of PAN AM SOUTHERN' Environmental Protection Department as well as applicable federal and state requirements regarding the handling of the Commodity.

(b) Shipper shall further be responsible for insuring that the load limits of any equipment used for transporting the Commodity under this Offering are not exceeded. In the event it is discovered that equipment has been overloaded, PAN AM SOUTHERN may set out such equipment at a location convenient to PAN AM SOUTHERN and shall notify Shipper by telephone, confirmed in writing, of the location of the overloaded equipment. PAN AM SOUTHERN, may either (1) contact Shipper in which event Shipper shall have 48 hours to remove excess weight; or (2) move the overloaded equipment back to Origin for removal of the excess weight. In any event, Shipper shall be responsible for performing and bearing all costs for the movement of the overloaded railcar and removal of excess weight. PAN AM SOUTHERN will move the affected equipment to Destination in such manner and time as is practicable after PAN AM SOUTHERN receives notice from Shipper that excess weight has been removed.

(c) With regard to Shipper owned or leased equipment Shipper shall be responsible for loading and unloading of all equipment and for inspecting all equipment after unloading the Commodity therefrom. Shipper shall be responsible for ensuring exterior of equipment is free of any Commodity upon completion of loading and unloading as well as any adjacent or vicinity property at the Origin loading location, and/or any location en route where such Commodity has been loaded and/or unloaded in accordance with applicable requirements of federal, state and local laws and regulations including, without limitation, DOT regulations at 49 C.F.R. Section 174.57. Shipper shall have the right to arrange for such responsibilities to be carried out by third parties; PROVIDED HOWEVER, that Shipper shall remain obligated to PAN AM SOUTHERN under the provisions contained in this Rule in such cases.

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(d) Notwithstanding the provisions of the following INDEMNIFICATION paragraph, Shipper shall indemnify and hold harmless PAN AM SOUTHERN or the actual owners of equipment used for this transportation from and against any and all liability for loss or damage (including but not limited to loss or damage to personal property, personal injury and/or death, attorney's fees arising therefrom, or special and consequential damages) resulting from future use of equipment to the extent such loss, damage, personal injury or death resulted from Shipper's failure or negligence in inspecting and/or decontaminating equipment prior to release to PAN AM SOUTHERN.

2. DISPOSITION OF COMMODITY.

(a) Shipper warrants that it has arranged for disposition of the Commodity in accordance with all applicable laws, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), as amended; the Resources Conservation Recovery Act (RCRA), as amended, the Hazardous Materials Transportation Act (HMTA), and the Toxic Substances Control Act, as amended and regulations issued under such Federal laws and comparable state statutes ("Laws").

(b) Shipper warrants that the facility it has selected for disposition of the Commodity is a permitted waste disposal facility under all applicable Laws. It is understood that Shipper, in its sole discretion, has selected the facility.

3. DOCUMENTATION OF COMMODITY.

Only the Commodity described at the beginning of this Rule shall be offered for transport and be transported. Shipper shall prepare all required shipping documents under applicable laws and further warrants that all shipments of Commodity shall be properly marked, labeled and placarded in compliance with applicable federal, state and local laws and regulations. Where applicable, the Commodity shall also be accompanied by hazardous waste manifests as required by applicable federal, state and local laws and regulations. In particular, but without limiting the generality of the foregoing, the following federal hazardous waste manifest, recordkeeping and reporting requirements shall apply:

(a) 40 C.F.R. Part 262 Subparts B and D, to be the obligation of Shipper;

(b) 40 C.F.R. Part 263 Part B, to be the obligations of PAN AM SOUTHERN, as its interests may appear;

(c) 40 C.F.R. 264 Subpart E or Part 265 Subpart E, as the case may be, to be the obligation of Shipper;

(d) 49 C.F.R. S. 172.205, to be the obligations of Shipper, or PAN AM SOUTHERN, as their respective interests may appear; and

(e) 49 C.F.R. Part 174, to be the obligations of Shipper or PAN AM SOUTHERN, as their respective interests may appear; and

(f) With regard to polychlorinated biphenyls (PCBs), 40 C.F.R. Part 761 Subparts C, J and K to be the obligation of Shipper or PAN AM SOUTHERN as their respective interests may appear.

In addition to manifests and other documentation, with each request for transportation services, Shipper shall provide PAN AM SOUTHERN with accurate and descriptive chemical and physical data on the character of the Commodity to be transported prior to actual shipment.

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4. NONCONFORMING WASTE.

Customer shall not store, load or unload Commodity or Nonconforming Waste on PAN AM SOUTHERN property. Any waste commodity tendered to PAN AM SOUTHERN under this Offering which is refused at Destination as not conforming to the description on the manifest or other shipping documents ("Nonconforming Waste") shall be returned to Origin at the same rate as the inbound shipment and subject to all other provisions of this Rule.

5. INCIDENTS AND CREDITS.

In the event of a spill, leak, discharge or other release ("Release") of Commodity ("Released Commodity") as defined by applicable Laws during transportation:

(a) PAN AM SOUTHERN will make appropriate notification of the Release and will take appropriate immediate action to protect human health and the environment, as determined by PAN AM SOUTHERN.

(b) Shipper shall be "generator" of the Commodity, of any Released Commodity, and of any materials contaminated by Released Commodity, as "generator" is defined in applicable Laws. Under no circumstances whatsoever shall PAN AM SOUTHERN be, or be designated, a "generator" of these substances.

(c) Shipper or its agent shall select a permitted disposal facility and make all arrangements for disposition at such disposal facility of any Commodity, Released Commodity, or material contaminated by Released Commodity which are removed from the site of the Release.

(d) Shipper or its agent shall make all arrangements for transportation and shall sign all manifests necessary to transport to a permitted disposal facility any Commodity, Released Commodity, or materials contaminated by Released Commodity which are removed from the site of the Release. Should PAN AM SOUTHERN be requested to transport such material such transportation shall be subject to the provisions of this Rule.

(e) In any such incident where the expenses of cleanup are the obligation of Railroad under the terms of this Rule, Shipper shall, upon request of PAN AM SOUTHERN and to the extent it is authorized by law and regulation:

(1) accept for disposal waste being disposed of by PAN AM SOUTHERN as a result of the cleanup (PAN AM SOUTHERN' Cleanup Waste), subject to the parties' mutual agreement on the cost of disposal for additional Waste beyond the original Waste, which agreement shall not be unreasonably withheld;

(2) credit against PAN AM SOUTHERN' disposal costs for PAN AM SOUTHERN' Cleanup Waste any monies already collectible by Shipper from other parties for the original disposal of the Waste involved in the incident.

(f) In any such incident where the expenses of cleanup are the obligation of Shipper under the terms of this Rule, PAN AM SOUTHERN shall, upon request of Shipper and to the extent it is authorized by law and regulation:

(1) transport waste being disposed of by Shipper as a result of the cleanup ("Customer's Cleanup Waste"); and

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(2) credit against Shipper's transportation costs for Customer's Cleanup Waste any monies already payable by Shipper to PAN AM SOUTHERN for the original transportation of the Waste involved in the incident.

6.INSURANCE.

(a) Shipper agrees to keep in force either commercial or comprehensive general liability insurance with minimum policy limits not less than \$15 million combined single limit per occurrence for bodily injury and property damage. Such policy shall be endorsed to cover the liability assumed under this Rule, and shall not deny coverage for operations conducted within fifty (50) feet of any railroad hazard. Shipper agrees to have its insurance policies covering its handling and storage of product to be contractually endorsed to relate to the indemnification provisions of this Rule.

(b) Shipper shall name PAN AM SOUTHERN as an additional insured under all such policies and shall furnish evidence certifying the existence of such insurance prior to PAN AM SOUTHERN' performance of transportation hereunder. Said evidence of insurance shall contain a provision to the effect that thirty (30) days' advance written notice will be given to PAN AM SOUTHERN of any material change in, or cancellation of, such insurance by the insurance carrier.

(c) PAN AM SOUTHERN and Shipper agree that the coverages and limits set forth herein and provided for by Shipper's insurance in no way limits its liability under the terms of this Rule.

RULE 140 -- CONTAMINATED SOIL (See Rule 50)

When a Shipper tenders PAN AM SOUTHERN a shipment of soil, which is contaminated with hazardous and non-hazardous waste products and associated debris, or solid waste (Waste Products), as more particularly described below, the following conditions shall apply:

1.DEFINITION OF WASTE PRODUCTS.

(a)NON-REGULATED MATERIAL -- Wastes that do not meet the definition of any DOT hazard class will be shipped as non-regulated material. These wastes will not meet the EPA definitions of hazardous waste, or hazardous substances and will have a specific activity of less than 2000 pCi/g. STCC:40291-01

(b)HAZARD CLASS 9, ENVIRONMENTALLY HAZARDOUS SUBSTANCE – Wastes that are regulated by the DOT solely because they contain a reportable quantity of material and limited quantities of radioactive material, that also contain a reportable quantity of material will be classed as environmentally hazardous substances. The wastes will not meet the STCC 49-601-97 which converts to 40-291-06.

(c)HAZARD CLASS 7, RADIOACTIVE MATERIAL – Wastes that are not identified as an EPA hazardous waste and that contain radioactivity at concentrations in excess of 2000 pCi/gm will be shipped as limited quantity material, Hazard Class 7. UN 2910; UN 2912

STCC 49-291-27 which converts to 28-197-11

STCC 49-291-33 which converts to 28-197-11

2.INTERMODAL TRAFFIC.

In the event the shipment of hazardous waste products classified as hazardous under the then applicable regulations of the U.S. Department of Transportation involves trailer on flat car or container on flat car equipment, a permit for transportation of hazardous waste products must first be secured from Vice President - Operations,

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Intermodal Transportation Services, PAN AM SOUTHERN, Three Commercial Place, Norfolk, VA. Intermodal shipments can only be transported in trailer and container equipment owned or leased by Shipper. Unless PAN AM SOUTHERN agrees to subcontract for these services, Shipper shall make its own drayage arrangements for intermodal shipments moving under this Offering. Shipper guarantees the performance of the motor carrier(s) used in any associated drayage service and shall indemnify PAN AM SOUTHERN for any liability to the extent arising out of any motor carrier's act or omission, or violation of any law or regulation, which results in a release onto PAN AM SOUTHERN or adjacent property of any Waste Products that are being transported.

3.ACCEPTANCE AND TENDER OF SHIPMENTS

Shipper agrees that it will tender to PAN AM SOUTHERN Waste Products as identified on hazardous waste manifests or modified waybills or other similar documents from time to time given by Shipper to PAN AM SOUTHERN for purposes of transportation service from Origins to Destinations. PAN AM SOUTHERN agrees to accept such shipments if tendered in accordance with the terms of this Rule and the law. At all times during transportation service, Shipper or Shipper's principal will retain title to and ownership of the Waste Product as between Shipper and PAN AM SOUTHERN.

4.DOCUMENTATION OF WASTES.

Each Waste Product shipment shall be tendered to PAN AM SOUTHERN under standard Uniform Bill of Lading and accompanied by all required shipping documents and shall be properly marked, labeled and placarded as required by applicable federal, state and local laws and regulations. Any hazardous waste product shall also be accompanied by hazardous waste manifests or modified waybills as required by applicable federal, state and local laws and regulations. In particular, but without limiting the generality of the foregoing, the following federal hazardous waste manifest, record keeping and reporting requirements now in effect or as may be amended shall apply:

(a)40 C.F.R. Part 262, Subparts B and D, to be the obligation of Shipper;

(b)40 C.F.R. Part 263, Subpart B, to be the obligation of the PAN AM SOUTHERN, as its interests may appear;

(c)40 C.F.R. Part 264, Subpart E or Part 265, Subpart E, as the case may be, to be the obligation of Shipper;

(d)49 C.F.R. §172.205, to be the obligation of Shipper or PAN AM SOUTHERN, as their respective interests may appear;

(e)49 C.F.R. Part 174, to be the obligation of Shipper or PAN AM SOUTHERN, as their respective interests may appear; and

(f)To the extent not excluded, and to the extent applicable, with regard to polychlorinated biphenyls (PCBs), 40 C.F.R. Part 761, Subparts C and J, to be the obligation of Shipper.

5.SELECTION OF FACILITIES AND SITES

(a)Shipper and/or its Principal shall select the treatment/storage or disposal facilities to which shipments of Waste Products are to be transported (hereinafter referred to as "Designated Facilities").

(b)If Shipper is the owner and/or operator of the Designated Facility, Shipper warrants that it has and will

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maintain in effect all applicable federal, state or local permits and licenses required to operate said Designated Facility and that, when delivery is to a Designated Facility not owned or operated by Shipper, Shipper will warrant that it has selected such Designated Facility based on the fact that it has in effect all applicable federal, state or local permits and licenses required for operation.

6.STORAGE OF SHIPPER'S WASTE PRODUCTS.

It is understood that there will be no storage of hazardous waste products shipments on PAN AM SOUTHERN. It is further understood that PAN AM SOUTHERN is not in the business of storing hazardous waste on its property and has no EPA or state hazardous waste storage permit to do so.

7.EQUIPMENT - If customer loads and ships waste products as described in this Contract in equipment or in a manner which Railroad, in its sole discretion, deems to be inadequate, railroad may terminate this contract immediately upon written notice.

(a)PAN AM SOUTHERN will provide the services and personnel necessary to perform transportation service hereunder. No equipment can be used unless it has been specifically authorized by PAN AM SOUTHERN.

(b)If applicable, all private Rail Equipment owned or leased by Shipper shall be in serviceable and interchangeable condition for the safe transport of product over rail lines as well as meet the requirements set forth by the Association of American Railroads.

(c)All equipment used to transport Waste Products shall comply with all applicable federal, state and local laws, rules, regulations, permits and licenses, provided that compliance therewith shall in no way relieve any party from any liabilities otherwise assumed. It shall be the responsibility of the party providing the equipment in any case to assure such compliance.

(d)Shipper agrees, notwithstanding any other provision of this rule, to release PAN AM SOUTHERN from, and, indemnify PAN AM SOUTHERN for, any damage to equipment incurred in normal railroad operations. Shipper also agrees to indemnify and hold harmless PAN AM SOUTHERN for any and all loss, liability claims, fees or costs arising from, related to, or associated with such equipment failure and subsequent cleanup.

8.LOADING AND UNLOADING AND DECONTAMINATION.

(a)Shipper shall have the sole responsibility, at its own expense, for properly packaging, labeling, marking, blocking, bracing, placarding, loading, and unloading Waste Products into or out of rail equipment to be transported in accordance with all applicable DOT regulations. In addition to any special equipment and loading restrictions imposed by PAN AM SOUTHERN, Shipper shall comply with the loading rules of the Association of American Railroads, applicable federal and state loading rules, as well as applicable federal and state requirements regarding the handling of hazardous waste product. Transportation of Waste Products shall be performed in a dedicated fleet. All discharge openings must be securely closed for and during transportation, and the equipment and transport vehicles must be free from leaks. All trailers and containers will be protected during shipments of hazardous or non hazardous waste products by a lining of suitable compatible material of sufficient thickness to contain the Waste Products being shipped, and there will be no double stacking of drums in trailers or containers. Double stacking of tri-wall palletized boxes containing only solid material (debris and rags) and no free liquids that have been loaded and restrained in trailers or containers in accordance with the Association of American Railroads' Bureau of Explosive Pamphlet 6C are allowed.

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(b) Shipper shall further be responsible for ensuring that the load limits of cars used for transporting Waste Products are not exceeded. In the event it is discovered that equipment has been overloaded, PAN AM SOUTHERN may set out such equipment at a location convenient to PAN AM SOUTHERN and shall notify Shipper by telephone of the location of the overloaded equipment. PAN AM SOUTHERN, subject to applicable regulatory requirements, may at its sole discretion elect to move the overloaded equipment back to origin, on to destination, or to an alternate location off PAN AM SOUTHERN property for purposes of Shipper's removal of excess lading. Such movements shall be accomplished under provisions of any special restrictions, including special train service, deemed necessary by PAN AM SOUTHERN for safe transportation. In any event, Shipper shall be solely responsible for performing and bearing all costs for movement of the overloaded rail car, including the cost of any special train service, and removal of excess weight. PAN AM SOUTHERN will move the affected equipment to Destination in such manner and time as is practicable after PAN AM SOUTHERN receives notice from Shipper that excess weight has been removed.

(c) After unloading at destination, in the event the equipment is contaminated by the waste, Shipper shall be responsible for ensuring that the receiver at its expense cleans, treats and decontaminates the equipment before its return to PAN AM SOUTHERN (or delivering Railroad) so that, when the rail equipment is released by receiver, it is completely unloaded and is not contaminated by any residue of the lading previously carried. Return of the equipment to rail service constitutes certification by Shipper that the equipment is ready to return to and use in general freight service. Shipper shall also be responsible for payment of additional transportation charges for PAN AM SOUTHERN to switch or move rail equipment to third parties or to other-than-Destination location, for cleaning and decontamination if necessary prior to release for subsequent movement.

(d) Shipper shall be responsible for cleaning and decontaminating any locations en route where such waste has been loaded and/or unloaded. Loading and unloading of waste into or from rail equipment on PAN AM SOUTHERN owned, leased or otherwise controlled property is prohibited except in emergency situations with PAN AM SOUTHERN' approval secured in advance of the loading or unloading.

(e) Shipper shall have the right to arrange for the responsibilities imposed on it by this Article and to be carried out by third parties, including its own customers and owners and operators of treatment, storage or disposal facilities designated by Shipper; PROVIDED, HOWEVER, that Shipper shall remain obligated to PAN AM SOUTHERN under its obligations in this Rule in such cases as if Shipper had done the work itself.

9. DELIVERY TO DESIGNATED FACILITY.

(a) Where the Destination facility designated by Shipper on the applicable manifest or other similar document is served by PAN AM SOUTHERN, PAN AM SOUTHERN will be responsible for delivery of the rail equipment containing the Product to the Destination facility.

(b) In the event hazardous waste products are delivered by PAN AM SOUTHERN to a Destination facility served by PAN AM SOUTHERN and Shipper subsequently determines that such Waste Products do not conform to the description of the Waste Products on the manifest or similar document accompanying such shipment, such Waste Products shall be considered to be "Nonconforming Waste Products." Should Shipper wish to return or reroute said Nonconforming Waste Products, the transportation particulars of such shipments shall be negotiated by the parties and shall be otherwise subject to this Rule. In the event of a dispute as to the applicable rate, the currently published rate shall apply to this movement.

10. INCIDENTS AND CREDITS.

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(a) In the event an incident during transportation over PAN AM SOUTHERN' lines results in a "hazardous waste discharge" (as that phrase is defined in 49 C.F.R. §271.16(a)), or "release" of a "hazardous substance" in "reportable quantities" (as those terms are defined by CERCLA, any regulations promulgated pursuant thereto, and Section 311 of the Clean Water Act), PAN AM SOUTHERN shall notify Shipper as soon as practicable and undertake initial containment and cleanup, with ultimate responsibility for cleanup costs to be borne by the parties as provided in this Offering. Shipper hereby agrees, upon request of PAN AM SOUTHERN, to cooperate fully to the extent reasonably necessary to abate or eliminate any hazard in an expeditious and prudent manner, including undertaking supervision and management of cleanup and disposal of spilled waste materials and any contamination to the environment resulting therefrom.

(b) PAN AM SOUTHERN will notify proper federal and state authorities of any spill incidents known to have occurred on PAN AM SOUTHERN property after acceptance of a given shipment for transportation.

(c) Regardless of whether PAN AM SOUTHERN is entitled to indemnity, Shipper shall, upon request of PAN AM SOUTHERN and to the extent it is authorized by law and regulation, accept for disposal materials required to be disposed of at prevailing rates to be negotiated by the parties, and shall credit against disposal costs that may be chargeable to PAN AM SOUTHERN any amounts for disposal collected or received from other parties and attributable to the materials discharged which were being transported pursuant to this Rule. In the event PAN AM SOUTHERN disposes of the materials at its cost, then Shipper shall pay PAN AM SOUTHERN the amount which Shipper was to be charged for disposal of such materials.

11. INSURANCE.

(a) Shipper agrees to keep in force either commercial or comprehensive general liability insurance with minimum policy limits not less than \$5 million combined single limit per occurrence for bodily injury and property damage. Such policy shall be endorsed to cover the liability assumed under this Rule, and shall not deny coverage for operations conducted within fifty (50) feet of any railroad hazard. Shipper agrees to have its insurance policies covering its handling and storage of product to be contractually endorsed to relate to the indemnification provisions of this Rule.

(b) Shipper shall name PAN AM SOUTHERN as an additional insured under all such policies and shall furnish evidence certifying the existence of such insurance prior to PAN AM SOUTHERN' performance of transportation hereunder. Said evidence of insurance shall contain a provision to the effect that thirty (30) days' advance written notice will be given to PAN AM SOUTHERN of any material change in, or cancellation of, such insurance by the insurance carrier.

(c) PAN AM SOUTHERN and Shipper agree that the coverages and limits set forth herein and provided for by Shipper's insurance in no way limits its liability under the terms of this Rule.

12. PROPER PACKAGING.

Shipper will adhere to all FRA and DOT regulations regarding load liners, covers, and securements, independent of a specific supplier's specifications.

RULE 160 -- HAZARDOUS WASTE

When a Shipper tenders PAN AM SOUTHERN a shipment of hazardous waste (See Rule 50), the following shall apply:

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1. Shipper warrants that it has arranged for disposition of the Commodity in accordance with all applicable laws, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), as amended; the Resource Conservation Recovery Act (RCRA), as amended; and the Hazardous Materials Transportation Act (HMTA), as amended, and regulations issued under such laws ("Laws").

2. Shipper warrants that the facility it has selected for disposition of the Commodity is a permitted waste disposition facility under all applicable Laws. It is understood that Shipper, in its sole discretion, has selected the facility.

3. Shipper shall prepare all manifests or other shipping papers required under applicable Laws, including Uniform Hazardous Waste Manifests. Shipper warrants that all manifests and other shipping papers comply with applicable Laws.

4. After the Equipment used for movements under this Rule have been unloaded at Destination, Shipper shall be responsible for the removal of residual Commodity and shipping materials from the Equipment. Should Shipper fail to decontaminate PAN AM SOUTHERN-owned or leased Equipment to PAN AM SOUTHERN's satisfaction, PAN AM SOUTHERN may refuse to accept the return of such equipment, subject to having the equipment cleaned at Shipper's expense, or, at PAN AM SOUTHERN' option, declaring the Equipment unfit for further use and requiring Shipper to pay to PAN AM SOUTHERN the current depreciated value of the equipment. Notwithstanding the foregoing, upon release of Equipment bearing PAN AM SOUTHERN ownership marks, Shipper shall furnish PAN AM SOUTHERN a Certificate of Decontamination for each such freight car utilized under the terms of this Rule.

(a) Shipper agrees, notwithstanding any other provision of this rule, to release PAN AM SOUTHERN from, and, indemnify PAN AM SOUTHERN for, any damage to equipment incurred in normal railroad operations. Shipper also agrees to indemnify and hold harmless PAN AM SOUTHERN for any and all loss, liability claims, fees or costs arising from, related to, or associated with such equipment failure and subsequent cleanup.

5. Shipper shall not store, load or unload Commodity or Nonconforming Waste (as defined below) on PAN AM SOUTHERN property.

6. Any waste commodity tendered to PAN AM SOUTHERN which is refused at Destination as not conforming to the description on the manifest or other shipping documents ("Nonconforming Waste") shall be returned to Origin at the same rate as the inbound shipment and subject to all other provisions of this Rule.

7. In the event of a spill, leak, discharge or other release ("Release") of Commodity ("Released Commodity") as defined by applicable Laws during transportation of the Commodity:

(a) PAN AM SOUTHERN will make appropriate notification of the Release and will take appropriate immediate action to protect human health and the environment, as determined by PAN AM SOUTHERN.

(b) Shipper shall be "generator" of the Commodity, of any Released Commodity, and of any materials contaminated by Released Commodity, as "generator" is defined in applicable Laws. Under no circumstances whatsoever shall PAN AM SOUTHERN be, or be designated, a "generator" of these substances.

(c) Shipper or its agent shall select a permitted disposal facility and make all arrangements for disposition at such disposal facility of any Commodity, Released Commodity, or material

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contaminated by Released Commodity which are removed from the site of the Release.

(d)Shipper or its agent shall make all arrangements for transportation and shall sign all manifests necessary to transport to a permitted disposal facility any Commodity, Released Commodity, or materials contaminated by Released Commodity which are removed from the site of the Release. Should PAN AM SOUTHERN be requested to transport such material such transportation shall be subject to the provisions of this Rule.

8.Shipper agrees to keep in force either commercial or comprehensive general liability insurance with minimum policy limits not less than \$15 million combined single limit per occurrence for bodily injury and property damage. Such policy shall be endorsed to cover the liability assumed under this Rule, and shall not deny coverage for operations conducted within fifty (50) feet of any railroad hazard. Shipper agrees to have its insurance policies covering its handling and storage of product to be contractually endorsed to relate to the indemnification provisions of this Rule.

(a)Shipper shall name PAN AM SOUTHERN as an additional insured under all such policies and shall furnish evidence certifying the existence of such insurance prior to PAN AM SOUTHERN' performance of transportation hereunder. Said evidence of insurance shall contain a provision to the effect that thirty (30) days' advance written notice will be given to PAN AM SOUTHERN of any material change in, or cancellation of, such insurance by the insurance carrier.

(b)PAN AM SOUTHERN and Shipper agree that the coverages and limits set forth herein and provided for by Shipper's insurance in no way limits its liability under the terms of this Rule.

RULE 180 LIABILITY AND INDEMNITY.

1. For the purpose of this Tariff, the term "Loss" shall mean any loss, injury, or damage which arises out of transloading, unloading and loading, transportation or disposition (including treatment, storage or disposal) of the commodities described in Rule 50 ("Waste Products"), including, but not limited to, loss or damage to property (including, without limitation, the property of either of the parties hereto) or to natural resources; injury or death of any person or persons (including, without limitation, employees of PAN AM SOUTHERN); claims, liabilities, damages, fines or penalties; costs of containment, cleanup, response actions, removal actions, remedial actions, and health assessments, as these terms are defined by applicable federal, state or local laws and regulations; fees including, but not limited to, attorney, consultant, and expert witness fees; and costs of investigation.

(a)Shipper hereby agrees to indemnify and hold harmless PAN AM SOUTHERN, its officers, agents and employees, from and against any and all claims, demands, liabilities and lawsuits brought by any third party or governmental agency under any theory of law against PAN AM SOUTHERN seeking to hold PAN AM SOUTHERN liable for any Loss to the extent that is caused by Shipper's act or omission, or act or omission of Shipper's own customer or contractor, Shipper's violation of any law or regulation, Shipper's failure to accept delivery, or Shipper's breach of any other requirement including, but not limited to, Shipper's failure to provide proper identification of the Waste Products to be transported, whether or not Shipper relied on other parties for said identification.

(b)PAN AM SOUTHERN hereby agrees to indemnify and hold harmless Shipper, its officers, agents and employees, from and against any and all claims, demands, liabilities or lawsuits brought by any third party or governmental agency under any theory of law against Shipper seeking to hold Shipper liable for any Loss to the extent that is caused by PAN AM SOUTHERN'

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act or omission, PAN AM SOUTHERN' violation of any law or regulation, or PAN AM SOUTHERN' breach of any requirement of this Tariff.

(c)Notwithstanding any provisions in this Article, Shipper hereby agrees to indemnify and hold harmless PAN AM SOUTHERN, its officers, agents, and employees from and against any claim for Loss, regardless of cause, resulting from an event that occurs subsequent to delivery to and acceptance of hazardous waste product by Shipper, another rail carrier, or contractor, or other transporter designated by Shipper, or an EPA licensed treatment, storage, or cleanup/disposal site operator designated by Shipper.

(d)Except to the extent Loss is within the scope of the indemnity in paragraphs (b), (c), (d) and (e) of this Rule, in the event a Loss is caused by Shipper's and PAN AM SOUTHERN' joint and concurrent negligence, by a cause unknown, or by a third party not having a contractual relationship with either Shipper or PAN AM SOUTHERN, each party shall bear half of such Loss. This provision shall not affect the rights of either Shipper or PAN AM SOUTHERN to recover for said Loss from such third party.

(e)Notwithstanding any other provision in this Rule, Shipper shall, regardless of the cause, be fully liable for and shall indemnify PAN AM SOUTHERN, its officers, agents, and employees against any Loss to the extent and only to the extent that such Loss or any portion of such Loss is attributable to the release or spill of a hazardous waste material which is not identified on the bill of lading or manifest.

(f)Notwithstanding any other provision in this Rule, Shipper shall indemnify and hold harmless PAN AM SOUTHERN and the actual owners of equipment used hereunder from and against any and all liability for Loss resulting from future use of or exposure to the equipment where such Loss arises from Shipper's failure or negligence in inspecting and/or decontaminating equipment prior to release to PAN AM SOUTHERN or delivering railroad or motor carrier.

(g)Knowledge on the part of one party of any violation of any terms of this Rule by the other party shall constitute neither negligence nor acquiescence in such violation, and shall in no event relieve either party of any of the responsibilities and indemnity obligations assumed in this Rule.

(h)References to PAN AM SOUTHERN and Shipper as used in this Rule shall include the officers, agents and employees of PAN AM SOUTHERN and Shipper. Shipper and PAN AM SOUTHERN further agree that each and all of its indemnity commitments in this Rule shall extend to and include the parent and all subsidiary affiliated companies of Shipper and PAN AM SOUTHERN and their respective officers, agents and employees.

RULE 200 NO SPECIAL HANDLING.

PAN AM SOUTHERN shall not be responsible for any special handling of railcars transporting the commodities referenced in Rule 50 of this Tariff. Any instructions provided on the side of a railcar, on the bill of lading, or by any means other than a formal, written, full executed transportation contract signed by an appropriate officer of PAN AM SOUTHERN, are invalid and of no effect whatsoever.

-THE END-
