

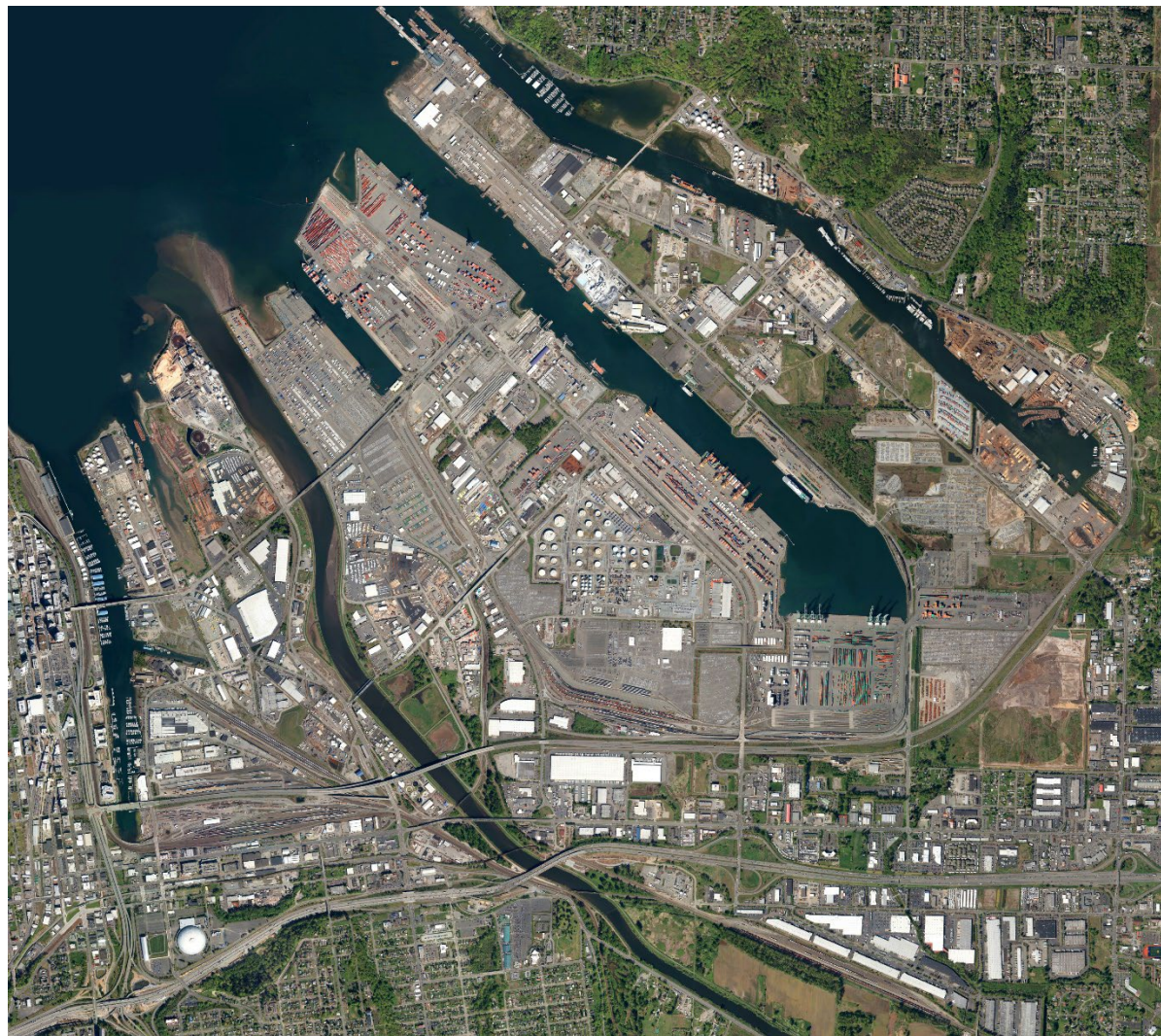
# 2021/2022 Budget & Rates

Dale King, Superintendent

September 9<sup>th</sup>, 2020

# Budget Overview

- Mission
  - Tacoma Rail provides services that are vital to the economic well-being of our customers.
- Budget Goals
  - Safety
  - Cost control
  - Right-size staff
  - Railroad infrastructure investment
  - Locomotive repower
  - Financial health & stability



# Budget Drivers and Assumptions



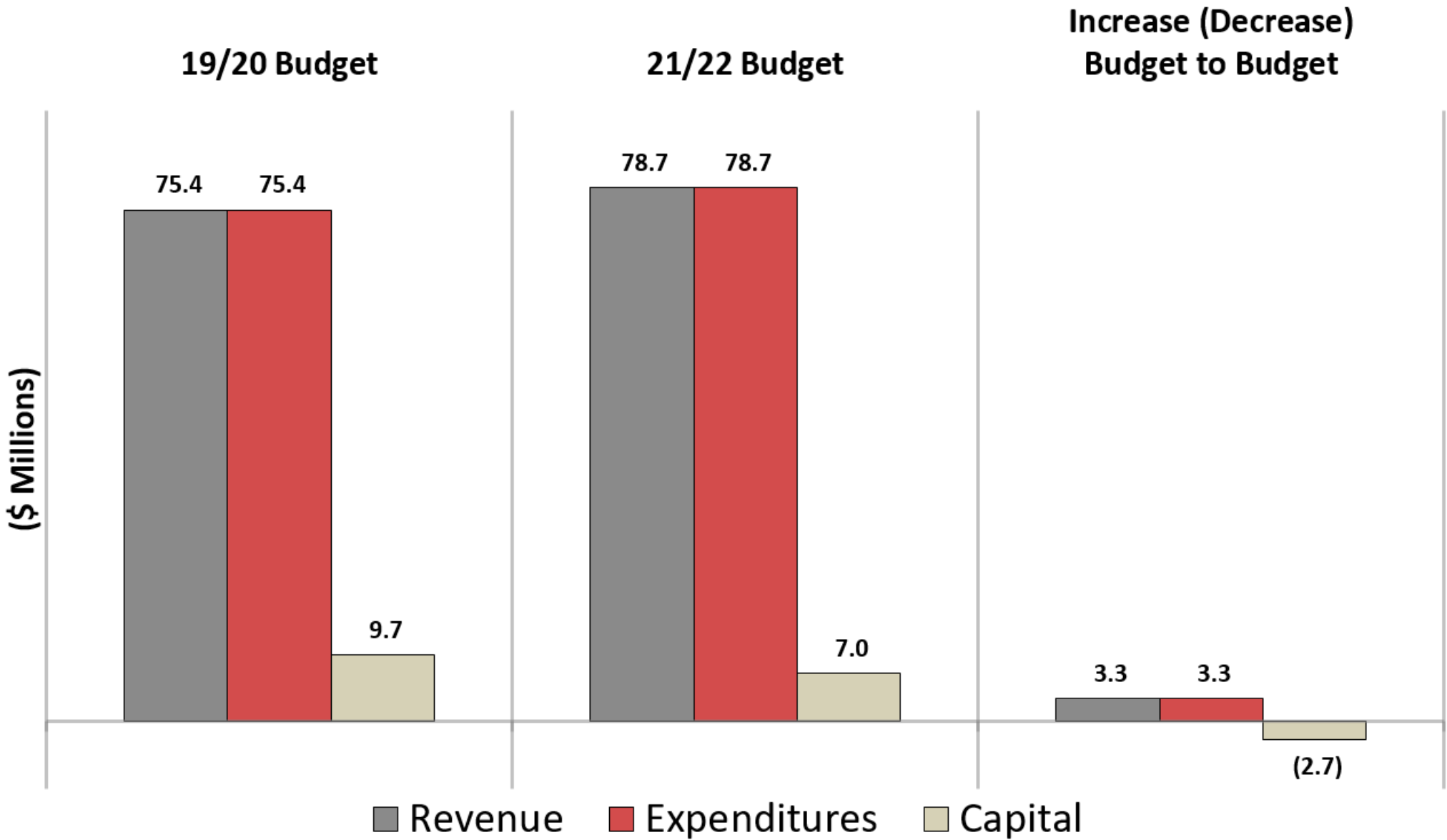
- Railcar Traffic
  - 2020 railcar volumes an anomaly
  - Intermodal volumes recover to 2019 volumes
  - Commercial volumes increase over 2019
    - Ethanol unit trains & WWS
- Personnel Costs
  - Increase in cost of benefits
- Other
  - Increase in IT Department assessments
  - Intermodal Volume Incentive
  - South Intermodal Yard revenue

# Budget Risks & Mitigation

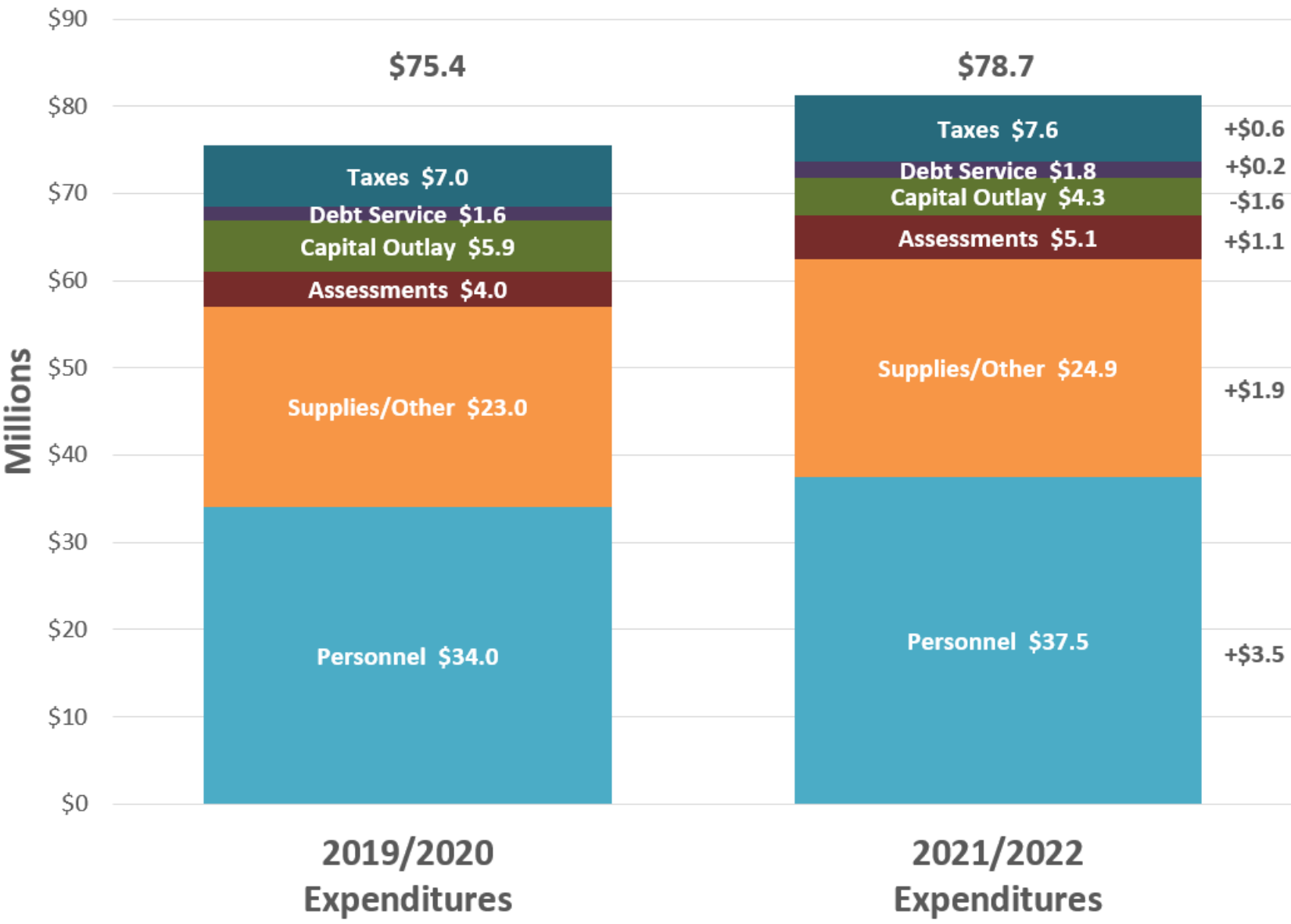


- Risks
  - Line haul volumes
  - New & existing mandates
- Mitigation
  - Furlough process
  - Defer projects or seek additional financing
  - Ongoing experience with existing mandates
    - Positive Train Control
    - Oil spill response plan & drills

# Budget Comparison



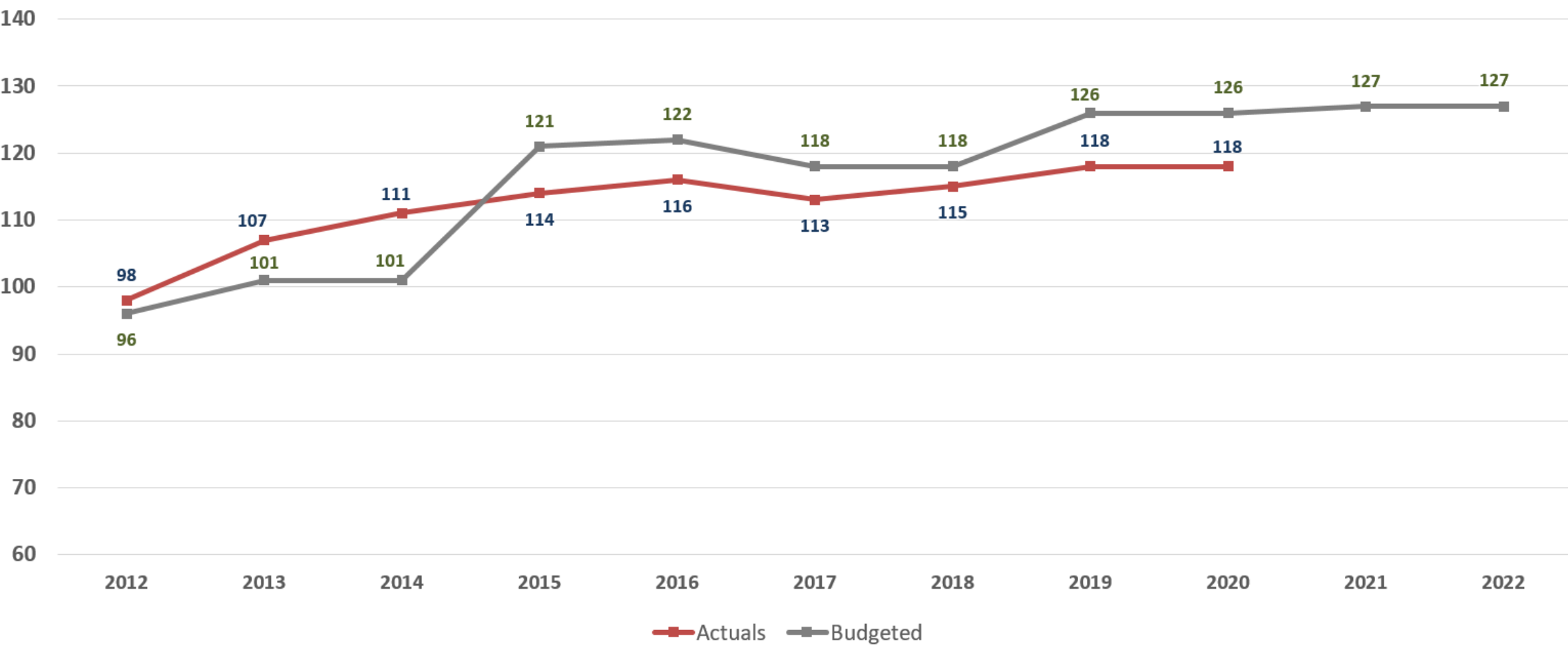
# Budget Expenditures



- Assessments
  - \$1.0M increase in assessments
  - 53% IT Department increase of \$582K
- Supplies/Other
  - Zero Intermodal Volume Incentive
    - Low 2020 volumes
  - \$844K Rail Crew Management System
- Personnel
  - \$8.7K increase health benefits per FTE
    - \$1.1 million total increase
  - \$275K Western Metals Pension Fund
- GET & Assessments
  - \$11.4M total contribution to City



# Staffing Levels



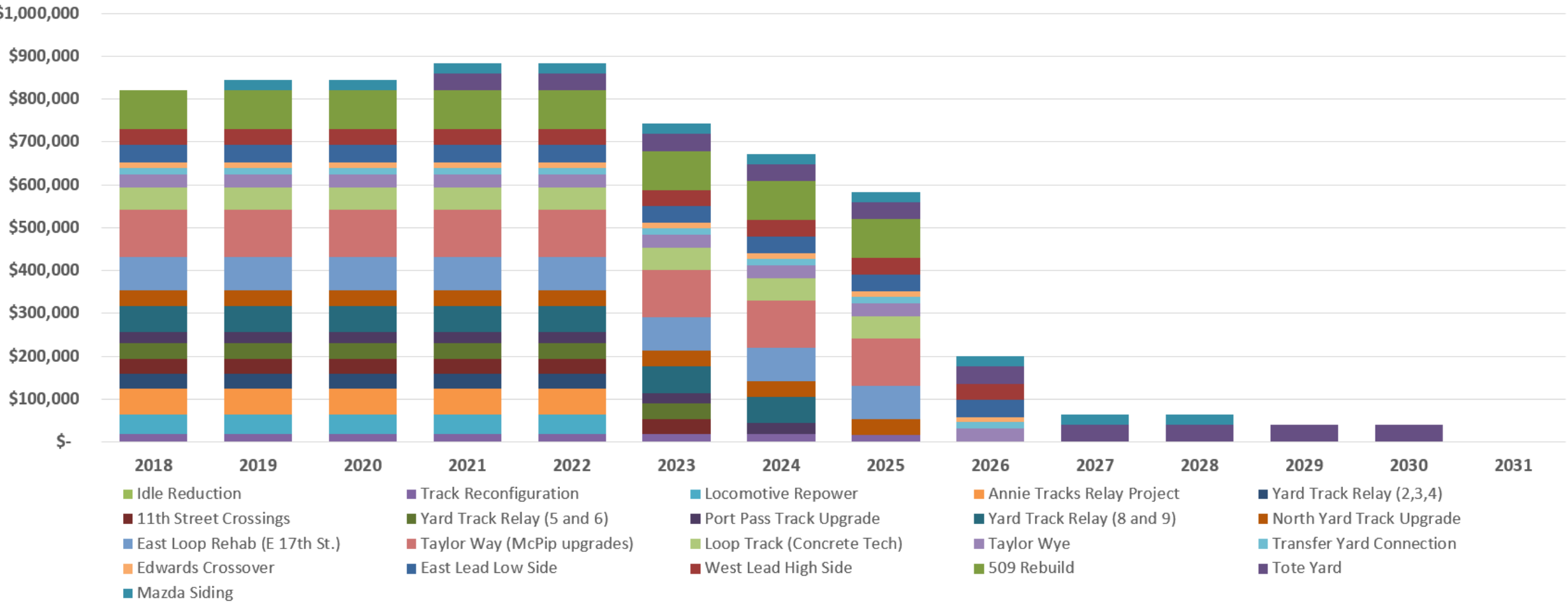
# Capital Investments & Funding



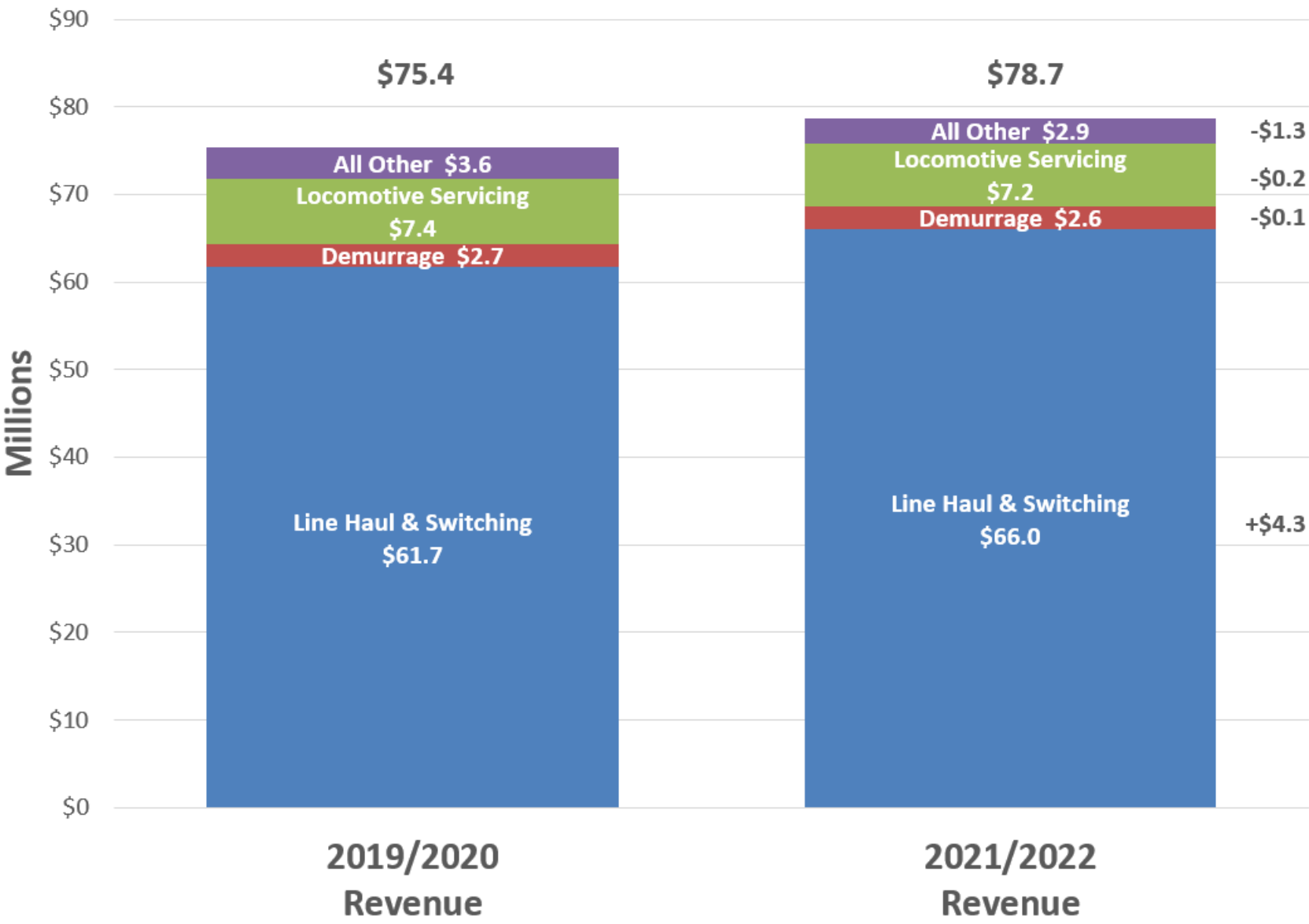
- Facility
  - East Locomotive Servicing Facility
- Equipment
  - Locomotive repower
  - Track ballast tamper
  - Vehicles
- Track Improvement
  - Yard track upgrades
  - Track relays
  - Crossing signalization
    - Port of Tacoma Road
    - Lincoln Avenue
- Grant & Rail Bank Funding
  - Washington State
    - Freight Rail Investment Bank
      - 0% loan program
      - Limited to public sector
    - Freight Rail Assistance Program
      - Grant program
    - Section 130 Railway-Highway Crossings Program
      - Railroad crossing grant program
  - Federal
    - Diesel Emission Reduction Act (DERA)
    - Consolidated Rail Infrastructure and Safety Improvements (CRISI)



# Debt Service



# Budget Revenues



- All Other
  - South Intermodal Yard revenue
- Locomotive Servicing
  - Record year of actuals in 2019
  - Fuel price markup
- Line Haul & Switching
  - Volumes
  - Rate proposal

# Rail Rate Policy Proposed Changes

## B. Rail rates should be stable.

1. Rates will be based on best estimates of rail volume. Operating surpluses due to unanticipated rail volume growth may be applied to the Volume Investment Fund.

## C. Rail rates should ensure sufficient resource planning and acquisition for reliable service while being as competitive as possible.

4. Tacoma Rail maintains a Volume Investment Fund that provides revenue requirement flexibility during times of unanticipated economic downturns or capital spending that may be used to offset the necessity of rate increases. Use of the fund will be limited to:
  - a. Workforce stability to ensure adequate staffing for rail volume rebound after a downturn.
  - b. Locomotive upgrades to sustain Tacoma Rail's environmental leadership goals.
  - c. Timely acquisition, replacement and upgrade of infrastructure and capital assets.
  - d. Grant or debt matching opportunities.

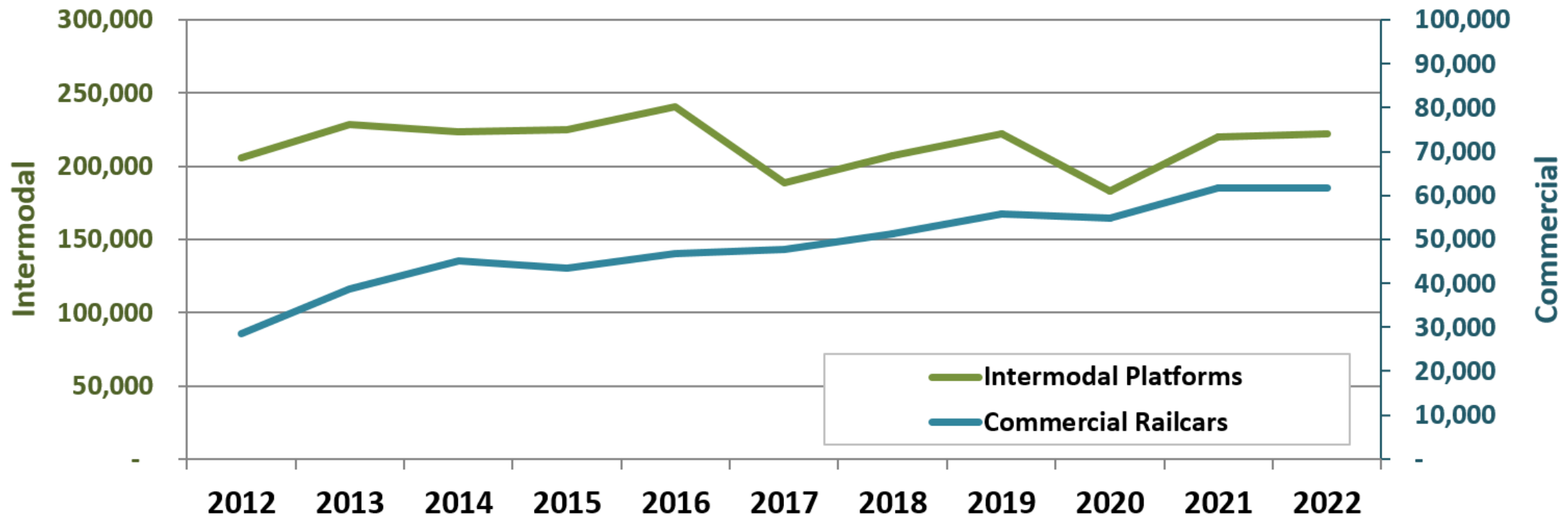
# Line Haul Rate Analysis



- Intermodal
  - Less labor intensive
  - More volume
  - Yard management
  - Higher track wear
  - Service windows
  - Fewer destinations
  - Do not incur demurrage
- Commercial
  - Labor intensive
  - Lower volume
  - Less track utilization
  - Lower track wear
  - Daily service
  - More destinations
  - Subject to demurrage
- Unit Trains
  - Hybrid of Intermodal & Commercial
  - Oil spill response plan & drills

# Line Haul Volumes

- Railcar Traffic
  - 2020 railcar volumes an anomaly
  - Intermodal volumes recover to 2019 volumes
  - Commercial volumes increase over 2019
    - Ethanol unit trains, WWS



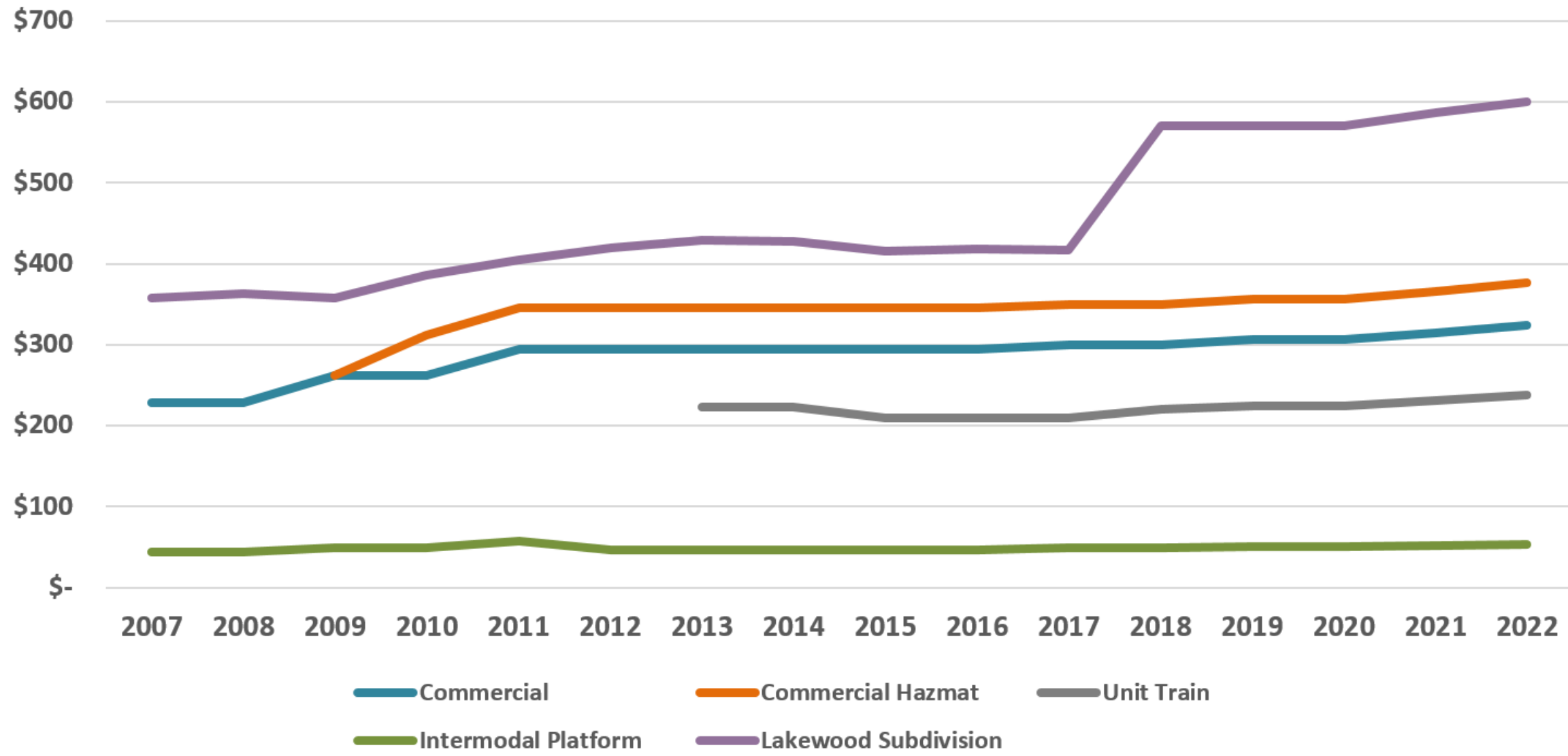
# Expected Rate Impact



- Demurrage tariff
  - Last adjusted in 2018
  - No proposed changes
- Line haul rates
  - Last adjusted in 2019
  - Rate adjustments of 3% per year
    - See chart
- Miscellaneous switching tariff rates
  - Intermodal intra-terminal rate
    - 2020: \$75 (current rate)
    - 2021: \$78
    - 2022: \$81
  - All other
    - Last adjusted in 2010
    - Special switch, inter-terminal, intra-terminal, intra-plant
    - Rate adjustment of 3% for 2021

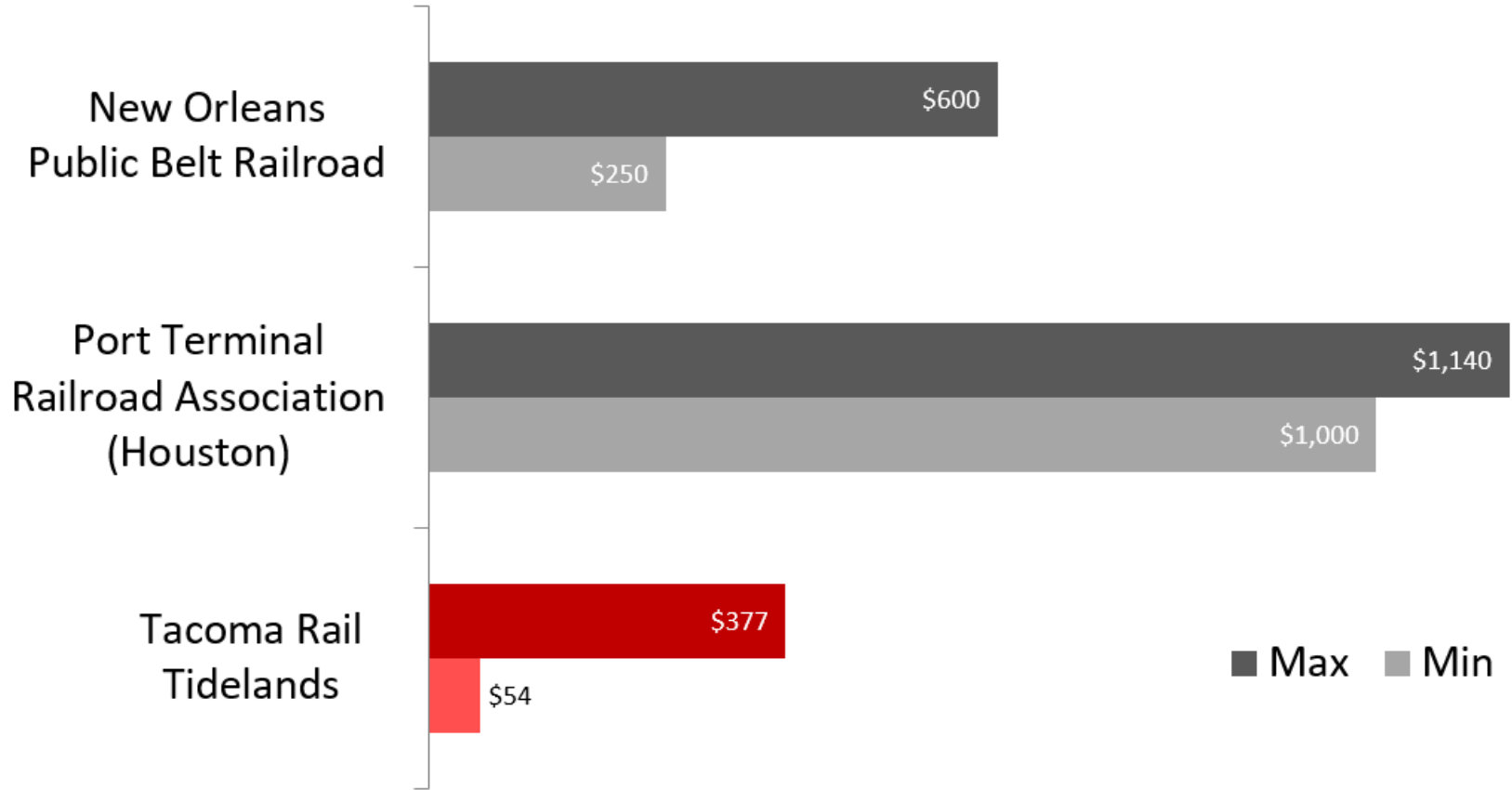
		Proposed Rates	
		2021	2022
	2020		
Intermodal	\$ 51.00	\$ 52.50	\$ 54.00
Commercial			
Tidelands Division	306.00	315.00	324.00
Tidelands Division Hazardous	356.00	366.50	377.00
Capital Division	570.00	587.00	600.00
Unit Train			
Single Spot	224.00	231.00	238.00
Multiple Spot	300.00	309.00	318.00

# Rates Over Time





# Shortline Tariff Rates



# Rates Outreach & Communications



- Primary Rate Payers
  - BNSF Railway
  - Union Pacific Railroad
  - U.S. Oil Refining
- August & September
  - BNSF, Union Pacific, Port of Tacoma & U.S. Oil
- October & November
  - All other customers
- December
  - Tariff published on the website

# Budget Summary

- FTE's up from 126 to 127
- Line haul volumes
  - Intermodal volumes recover to 2019 volumes
  - Commercial volumes increase over 2019
- Increased expenses
  - Employee health benefits
  - IT Department assessments
  - Rail Crew Management System
- Rates below benchmark short lines
  - Last rate adjustment in 2019
  - 3% rate adjustment in 2021
  - 3% rate adjustment in 2022



# Next Steps

- September 30th
  - GPFC rates presentation
- October 6th
  - Joint Council/PUB Study Session presentation
- October 14th
  - Public Utility Board meeting presentation of preliminary budget & rates
- October 28th
  - Public Utility Board consideration of preliminary budget & rates
- November 17th & November 24th
  - 1st and 2nd Council readings

# Appendix

# Revenue

(\$ millions)	Current	Proposed	Increase (Decrease)	
	19/20 Budget	21/22 Budget	Budget to Budget	
<b>Operating Revenue</b>				
Line Hauls & Local	\$ 61.7	\$ 66.0	\$ 4.3	7.0%
Demurrage	2.7	2.6	(0.1)	(3.7)%
Locomotive Servicing	7.4	7.2	(0.2)	(2.7)%
Miscellaneous Revenues	0.7	0.5	(0.2)	(28.6)%
<b>Total Operating Revenue</b>	<b>72.4</b>	<b>75.8</b>	<b>3.4</b>	<b>4.7%</b>
<b>Non-Operating Revenue</b>				
Rent Income	2.2	1.0	(1.2)	(55.5)%
Interest Income	0.2	0.4	0.2	100%
<b>Total Non-Operating Revenue</b>	<b>2.4</b>	<b>1.4</b>	<b>(1.0)</b>	<b>(43.7)%</b>
<b>Current Fund Appropriation</b>	<b>0.5</b>	<b>1.0</b>	<b>0.5</b>	<b>100%</b>
<b>Total Revenue &amp; Available Funds</b>	<b>\$ 75.4</b>	<b>\$ 78.7</b>	<b>\$ 3.3</b>	<b>4.4%</b>

# Expenses

	Current	Proposed	Increase (Decrease)	
(\$ millions)	19/20 Budget	20/21 Budget	Budget to Budget	
<b>Expenditures</b>				
Personnel Costs	\$ 34.0	\$ 37.5	\$ 3.5	10.3%
Supplies, Other Services & Charges	23.0	24.8	1.8	7.8%
Taxes	7.0	7.6	0.6	8.6%
Debt Service	1.7	1.8	0.1	5.9%
Capital Outlay	9.7	7.0	(2.7)	(27.8)%
<b>Total Expenditures</b>	<b>75.4</b>	<b>78.7</b>	<b>3.3</b>	<b>4.4%</b>
<b>Capital Outlay</b>				
Anticipated Loan/Grants	2.6	3.2	0.6	23.1%
Revenue Financed Capital	9.7	7.0	(2.7)	(27.8)%
<b>Total Capital</b>	<b>\$ 12.3</b>	<b>\$ 10.2</b>	<b>\$ (2.1)</b>	<b>(17.1)%</b>



# Assessments

	Current	Proposed	Increase (Decrease)	
(\$ millions)	19/20 Budget	21/22 Budget	Budget to Budget	
<b>GG Assessments</b>				
Information Technology	\$ 1.1	\$ 1.7	\$ 0.5	54.6%
Human Resources	0.5	0.6	0.1	20.0%
Legal	0.3	0.3	0.0	0.0%
Finance	0.7	0.9	0.2	28.6%
Other	0.4	0.4	0.0	0.0%
<b>Total General Government</b>	<b>3.0</b>	<b>3.9</b>	<b>0.8</b>	<b>30.0%</b>
<b>TPU Assessments</b>	<b>1.0</b>	<b>1.2</b>	<b>0.2</b>	<b>20.0%</b>
<b>Total Assessments</b>	<b>\$ 4.0</b>	<b>\$ 5.1</b>	<b>\$ 1.1</b>	<b>27.5%</b>

\*Note: Assessments are not finalized at this time.

- **Taxes to General Fund**

Current	Proposed	Increase (Decrease)	
19/20 Budget	21/22 Budget	Budget to Budget	
\$6.0	\$6.3	\$0.3	5.0%

- **State taxes**

Current	Proposed	Increase (Decrease)	
19/20 Budget	21/22 Budget	Budget to Budget	
\$1.0	\$1.3	\$0.3	33.3%

(\$ millions)

# Capital

	Current	Proposed	Increase (Decrease)	
(\$ millions)	19/20 Budget	20/21 Budget	Budget to Budget	
<b>Capital Projects</b>				
General Plant	\$ 0.1	\$ 0.0	\$ (0.1)	7.9%
Communications	0.4	0.0	(0.2)	(7.1)%
Facility Upgrades	3.3	4.1	0.4	1.4%
Rail Equipment	2.7	1.5	(1.2)	(8.9)%
Track Improvement	5.8	4.6	(1.0)	-17.9%
<b>Total Capital Projects</b>	<b>12.3</b>	<b>10.2</b>	<b>(2.1)</b>	<b>(17.1)%</b>
<b>Capital Funding Sources</b>				
Current Fund	9.7	7.0	(2.7)	(-27.8)%
New Debt/Grants	2.6	3.2	0.6	23.1%
<b>Total Funding Sources</b>	<b>\$ 12.3</b>	<b>\$ 10.2</b>	<b>\$ (2.1)</b>	<b>(17.1)%</b>

**TACOMA PUBLIC UTILITY BOARD**

**2021 - 2022 PROPOSED BUDGET  
TACOMA RAIL**

**Wednesday September 9, 2020  
3:00 p.m.**

**Tacoma Rail**

Recap of Biennial Budget .....	1
Revenue .....	2
Division Consolidation .....	3
Taxes .....	4
Debt Service .....	5
Capital Outlay .....	6-7

<b>Tacoma Rail Recapitulation of Biennial Budget</b>	<b>2019-2020 Current Budget*</b>	<b>2021-2022 Proposed Budget</b>	<b>2019-20 to 2021-22 Budget Comparison</b>	
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### **REVENUE**

Switching Revenue	\$ 64,371,705	\$ 68,627,032	\$ 4,255,327	6.6%
Miscellaneous Revenue	8,048,000	7,722,000	(326,000)	(4.1%)
<b>Total Operating Revenue</b>	<b>72,419,705</b>	<b>76,349,032</b>	<b>3,929,327</b>	<b>5.4%</b>
Other Income	2,946,301	2,362,973	(583,328)	(19.8%)

<b>Total Revenue &amp; Available Funds</b>	<b>\$ 75,366,006</b>	<b>\$ 78,712,005</b>	<b>\$ 3,345,999</b>	<b>4.4%</b>
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### **EXPENDITURES**

Personnel Costs	\$ 33,984,306	\$ 37,470,301	\$ 3,485,995	10.3%
Supplies, Other Services & Charges	23,024,900	24,854,207	1,829,306	7.9%
Taxes	7,016,314	7,639,000	622,686	8.9%
Debt Service	1,640,486	1,768,498	128,012	7.8%
Capital Outlay	9,700,000	6,980,000	(2,720,000)	(28.0%)

<b>Total Expenditures</b>	<b>\$ 75,366,006</b>	<b>\$ 78,712,005</b>	<b>\$ 3,346,000</b>	<b>4.4%</b>
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### **CAPITAL OUTLAY FINANCING DETAIL**

Anticipated Bank Loan Proceeds/Grants	\$ 2,550,000	\$ 3,260,000	\$ 710,000	27.8%
Funded from Operating Fund	9,700,000	6,980,000	(2,720,000)	(28.0%)

<b>Total Capital Outlay</b>	<b>\$ 12,250,000</b>	<b>\$ 10,240,000</b>	<b>\$ (2,010,000)</b>	<b>(16.4%)</b>
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<b>PERSONNEL - Budgeted FTE</b>	<b>126.0 / 126.0</b>	<b>127.0 / 127.0</b>
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\* Includes 2019-20 Mid Biennium Adjustment

<b>Tacoma Rail Revenue</b>	<b>2019-2020 Current Budget*</b>	<b>2021-2022 Proposed Budget</b>	<b>2019-20 to 2021-22 Budget Comparison</b>	
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#### **REVENUE SUMMARY**

Switching Revenue	\$ 64,371,705	\$ 68,627,032	\$ 4,255,327	6.6%
Miscellaneous Revenue	8,048,000	7,722,000	(326,000)	(4.1%)
<b>Total Operating Revenue</b>	<b>72,419,705</b>	<b>76,349,032</b>	<b>3,929,327</b>	<b>5.4%</b>
Other Income	2,946,301	2,362,973	(583,328)	(19.8%)
<b>Total Revenue &amp; Available Funds</b>	<b>\$ 75,366,006</b>	<b>\$ 78,712,005</b>	<b>\$ 3,345,999</b>	<b>4.4%</b>

#### **REVENUE DETAIL**

##### **Switching Revenue**

Line Hauls and Local	\$ 61,656,705	\$ 65,987,032	\$ 4,330,327	7.0%
Demurrage	2,715,000	2,640,000	(75,000)	(2.8%)
<b>Total Switching Revenue</b>	<b>64,371,705</b>	<b>68,627,032</b>	<b>4,255,327</b>	<b>6.6%</b>
Locomotive Servicing	7,350,000	7,200,000	(150,000)	(2.0%)
Miscellaneous Revenue	698,000	522,000	(176,000)	(25.2%)
<b>Total Miscellaneous Revenue</b>	<b>8,048,000</b>	<b>7,722,000</b>	<b>(326,000)</b>	<b>(4.1%)</b>
<b>Total Operating Revenue</b>	<b>72,419,705</b>	<b>76,349,032</b>	<b>3,929,327</b>	<b>5.4%</b>

##### **Other Income**

Rent Income	\$ 2,220,000	\$ 962,400	\$ (1,257,600)	(56.6%)
Interest Income	225,000	390,000	165,000	73.3%
<b>Total Non-Operating Revenue</b>	<b>2,445,000</b>	<b>1,352,400</b>	<b>(1,092,600)</b>	<b>(44.7%)</b>
Appropriation from Fund Balance	501,301	1,010,573	509,272	(100.0%)
<b>Total Revenue &amp; Available Funds</b>	<b>\$ 75,366,006</b>	<b>\$ 78,712,005</b>	<b>\$ 3,345,999</b>	<b>4.4%</b>

\* Includes 2019-20 Mid Biennium Adjustment

<b>Tacoma Rail Division Consolidation</b>	<b>2019-2020 Current Budget*</b>	<b>2021-2022 Proposed Budget</b>	<b>2019-20 to 2021-22 Budget Comparison</b>	
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#### **SUMMARY - Operation & Maintenance by Section**

Rail Administration	\$ 21,346,001	\$ 21,463,510	\$ 117,509	0.6%
Rail Operations	24,502,263	26,752,239	2,249,976	9.2%
Rail Mechanical	13,089,567	16,062,984	2,973,417	22.7%
Rail Construction	5,087,688	5,684,774	597,085	11.7%

<b>Total for Division</b>	<b>\$ 64,025,520</b>	<b>\$ 69,963,507</b>	<b>\$ 5,937,988</b>	<b>9.3%</b>
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#### **SUMMARY - Operation & Maintenance by Category**

Salaries & Wages	\$ 25,690,332	\$ 26,757,233	\$ 1,066,902	4.2%
Employee Benefits	9,896,974	11,333,067	1,436,094	14.5%
Capital Credit & Labor To/From Others	(1,603,000)	(620,000)	983,000	61.3%
<b>Total Personnel Costs</b>	<b>33,984,306</b>	<b>37,470,301</b>	<b>3,485,995</b>	<b>10.3%</b>

Supplies	2,899,812	2,767,091	(132,721)	(4.6%)
Services	9,547,202	13,242,903	3,695,701	38.7%
Other Charges	6,529,080	3,766,652	(2,762,428)	(42.3%)
Total Assessments	4,048,806	5,077,562	1,028,755	25.4%
Taxes	7,016,314	7,639,000	622,686	8.9%
<b>Total Supplies &amp; Other Charges</b>	<b>30,041,214</b>	<b>32,493,207</b>	<b>2,451,992</b>	<b>8.2%</b>

<b>Total for Division</b>	<b>\$ 64,025,520</b>	<b>\$ 69,963,507</b>	<b>\$ 5,937,988</b>	<b>9.3%</b>
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\* Includes 2019-20 Mid Biennium Adjustment



<b>Tacoma Rail Taxes</b>	<b>2019-2020 Current Budget*</b>	<b>2021-2022 Proposed Budget</b>	<b>2019-20 to 2021-22 Budget Comparison</b>	
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## **TAX PAYMENTS**

City of Tacoma:

Gross Earnings Tax (8.0%)	\$ 5,985,000	\$ 6,319,000	\$ 334,000	5.6%
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State of Washington:

Utility & Business Tax	1,030,000	1,315,000	285,000	27.7%
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Other Taxes	1,314	5,000	3,686	280.5%
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Subtotal	<b>7,016,314</b>	<b>7,639,000</b>	<b>622,686</b>	8.9%
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Federal Railroad Taxes	4,430,662	4,694,931	264,269	6.0%
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<b>Total Tacoma Rail Taxes</b>	<b>\$ 11,446,976</b>	<b>\$ 12,333,931</b>	<b>\$ 886,955</b>	<b>7.7%</b>
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Note: State Sales Tax is included in O&M budget line items for Materials

Federal Railroad Taxes are paid in lieu of FICA and Retirement and are included in O&M category Personnel Services.

\* Includes 2019-20 Mid Biennium Adjustment

Tacoma Rail Debt Service	2019-2020 Current Budget*	2021-2022 Proposed Budget	2019-20 to 2021-22 Budget Comparison	
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#### **DEBT SERVICE SUMMARY**

Interest	\$ -	\$ -	\$ -	0.0%
Principal	1,640,486	1,768,498	128,012	7.8%

<b>Total Debt Service</b>	<b>\$ 1,640,486</b>	<b>\$ 1,768,498</b>	<b>\$ 128,012</b>	<b>7.8%</b>
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#### **DEBT SERVICE DETAIL**

Rail Bank Loans - \$9,137,895, 0% Interest				
- Principal	1,640,486	1,768,498	128,012	7.8%

<b>Total Debt Service</b>	<b>\$ 1,640,486</b>	<b>\$ 1,768,498</b>	<b>\$ 128,012</b>	<b>7.8%</b>
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\* Includes 2019-20 Mid Biennium Adjustment

<b>Tacoma Rail Capital Outlay</b>	<b>2019-2020 Current Budget*</b>	<b>2021-2022 Proposed Budget</b>
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### **SUMMARY**

General Plant	\$ 41,084	\$ -
Communications	400,000	-
Facility Upgrades	3,300,000	4,085,000
Rail Equipment/Vehicles	2,675,000	1,510,000
Track Improvements	5,833,916	4,645,000
<b>Sub-Total</b>	<b>\$ 12,250,000</b>	<b>\$ 10,240,000</b>

Projects Funded from Grants	\$ (2,100,000)	\$ (2,660,000)
Projects Funded from Rail Bank Loan Proceeds	(450,000)	-
Projects Funded from Anticipated Bank Loan	-	(600,000)

<b>Total Operating Fund Capital Outlay</b>	<b>\$ 9,700,000</b>	<b>\$ 6,980,000</b>
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### **General Plant**

TPU Auditorium TV Update	\$ 41,084	\$ -
<b>General Plant Total</b>	<b>\$ 41,084</b>	<b>\$ -</b>

### **Communications**

Radio Repeater/Upgrades	\$ 400,000	\$ -
<b>Communications Total</b>	<b>\$ 400,000</b>	<b>\$ -</b>

### **Facility Upgrades**

Cameras	\$ -	\$ 190,000
West Barn Roof	-	195,000
West Shop Floors	-	500,000
ITS Project	300,000	300,000
Secondary Fueling Upgrades	2,900,000	2,900,000
Locomotive Load Box	50,000	-
Stormwater Treatment and Filtration	50,000	-
<b>Facility Upgrades Total</b>	<b>\$ 3,300,000</b>	<b>\$ 4,085,000</b>

<b>Tacoma Rail Capital Outlay</b>	<b>2019-2020 Current Budget*</b>	<b>2021-2022 Proposed Budget</b>
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#### **Rail Equipment/Vehicles**

Track Ballast Tamper	\$ -	\$ 400,000
Locomotive Repower	2,500,000	750,000
Vehicles	150,000	360,000
Lift Truck (Fork Lift)	25,000	-
<b>Rail Equipment/Vehicles Total</b>	<b>\$ 2,675,000</b>	<b>\$ 1,510,000</b>

#### **Track Improvement Projects**

Yard Track Upgrades	\$ -	\$ 1,100,000
Bootjack/Transfer Lead Upgrades	-	245,000
Taylor Way Wye Curve Relay	-	125,000
Lincoln Track Upgrades (Blair)	-	675,000
Port Road - Lianga Curve	-	700,000
Port Road - HITW Stub	-	100,000
US Oil Crossings	-	700,000
Tidelands Infrastructure Improvements	1,633,916	1,000,000
Tote Yard Upgrades	1,000,000	-
Marine View Drive Rail Relay	1,700,000	-
Marine View Drive Crossing Signals	1,250,000	-
Taylor Way Crossings	250,000	-
<b>Track Improvement Projects Total</b>	<b>\$ 5,833,916</b>	<b>\$ 4,645,000</b>

<b>TOTAL CAPITAL OUTLAY</b>	<b>\$ 12,250,000</b>	<b>\$ 10,240,000</b>
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\* Includes 2019-20 Mid Biennium Adjustment

**TACOMA PUBLIC UTILITIES  
TACOMA RAIL**

**RAIL RATE POLICY  
AMENDED  
January 2021**

## **Tacoma Public Utilities Tacoma Rail**

- I. **Purpose:** The Tacoma Rail Rate Policy provides for rates adequate to ensure the operation, maintenance, and construction of the Department's railway system while providing safe, reliable, cost effective, and reliable service to customers within Tacoma Rail's service area.

### **II. Objective for Rail Rate Policy**

- A. Rail rates should be cost based and adequate to recover Tacoma Rail's costs.
- B. Rail rates should be stable.
- C. Rail rates should ensure sufficient resource planning and acquisition for reliable service while being as competitive as possible.
- D. Rail rates should have a customer involvement and review process.

### **III. Policies**

- A. Rail rates should be cost based and adequate to recover Tacoma Rail's costs.
  - 1. Revenue requirements will be developed utilizing an average embedded cost-of-service methodology.
  - 2. Rates charged for each blended class of service will be set to reflect the cost of supplying that service. Any exceptions to cost-of-service principles will be explicitly noted in this policy.
  - 3. The limit of debt to total assets shall be set up to a maximum of 40%.
  - 4. The debt service coverage ratio shall be at least 1.5, or the ratio established by the Public Utility Board.
  - 5. The minimum working cash balance shall be sufficient enough to cover 60 days of current budgeted expenditures as outlined in Public Utility Board Policy 3.6, dated August 1992.
  - 6. Major capital projects will be financed primarily with debt or grant opportunities. The term of the debt financing will not be longer than the useful life of the capital project.
  - 7. Switch tariff fuel surcharges shall be based on actual costs over an established threshold rather than an industry index.

B. Rail rates should be stable.

1. Rates will be based on best estimates of rail volume. Operating surpluses due to unanticipated rail volume growth may be applied to the Volume Investment Fund.
2. To the extent possible, rate adjustments will not exceed general inflationary trends. Phased-in adjustments over a limited time may be used for projects requiring a considerable change in rate levels.
3. Rate classes may be established by blending customers, similar use and service characteristics.
4. A rate surcharge may be proposed under unusual conditions such as an unanticipated slowdown in rail activity.

C. Rail rates should ensure sufficient resource planning and acquisition for reliable service while being as competitive as possible.

1. Rail rates will be designed to meet the changing needs of the customer.
2. The character and volume of service will be factors in apportioning costs, developing rates, and tariff revisions.
3. A standard, currently one to one, will be used to determine the amount of staging rail relative to operating rail. The cost associated with providing that staging rail will be apportioned based upon class use.
4. Tacoma Rail maintains a Volume Investment Fund that provides revenue requirement flexibility during times of unanticipated economic downturns or capital spending that may be used to offset the necessity of rate increases. Use of the fund will be limited to:
  - a. Workforce stability to ensure adequate staffing for rail volume rebound after a downturn.
  - b. Locomotive upgrades to sustain Tacoma Rail's environmental leadership goals.
  - c. Timely acquisition, replacement and upgrade of infrastructure and capital assets.
  - a.d. Grant or debt matching opportunities.

D. Rail rates should have a customer involvement and review process.

1. At a minimum, rates will be reviewed every two years with a full revenue requirement study performed.
2. Rate presentations will be given to the Class I Carriers and customers of Tacoma Rail, including the Port of Tacoma as needed.
3. Tariff revision recommendations will be communicated to Tacoma Rail rate paying customers whose rates are affected at



least 20 days ahead of the proposed effective day and before City Council approval.

4. Meetings of the Tacoma Public Utility Board and City Council are open to the public and all interested parties.
5. Written public comment or inquiries from all customer classes concerning rail rate proposals and policies will be encouraged and will be responded to in a timely manner.
6. The timing and amount of any upcoming rate adjustment will be well publicized in advance of the implementation date.

## **TACOMA MUNICIPAL BELT LINE RAILWAY**

**FREIGHT TARIFF TMBL 8807-~~J~~**  
(Cancels Tariff TMBL 8807-~~JH~~)

**NAMING  
SWITCHING AND OTHER TERMINAL CHARGES  
AS PROVIDED IN SECTION 1 HEREIN**

**APPLYING AT ALL LOCATIONS ON THE  
TACOMA MUNICIPAL BELT LINE RAILWAY  
(TACOMA RAIL)**

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This tariff is also applicable on intrastate traffic, except where expressly provided to the contrary in connection with particular items.

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ISSUED: December 10, 20~~18~~

EFFECTIVE: January 1, 20~~19~~

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Dale W. King, Superintendent  
2601 SR 509 North Frontage Road  
Tacoma, WA 98421

1.01	<b>CANCELLATION NOTICE:</b>  Freight Tariff TMBL 8807- <del>I</del> hereby cancels provisions formerly shown in Freight Tariff TMBL 8807- <del>I</del> series for account the TMBL. Provisions formerly shown in Freight Tariff TMBL 8807-H for account TMBL and not brought forward in Freight Tariff TMBL 8807-I are hereby cancelled.
<b>ITEM</b>	<b>RULES AND OTHER GOVERNING PROVISIONS. SPECIAL RULES AND REGULATIONS</b>
10	<b>REFERENCES TO TARIFFS, ITEMS, NOTES, RULES, ETC.:</b>  Where reference is made in this tariff to tariffs, items, notes, rules, etc., such references are continuous and include supplements to and successive issues of such tariffs and reissues of such items, notes, rules, etc.
20	<b>STATION LISTS AND CONDITIONS:</b>  This tariff is governed by the Official List of Open and Prepay Railroad Stations, OPSL 6000 series, to the extent shown below:  <b>PREPAY REQUIREMENTS AND STATION CONDITIONS</b>  For additions and abandonment of stations, and except as otherwise shown herein, for prepay requirements, changes in the names of stations, restrictions as to the acceptance or delivery of freight and changes in station facilities. When a station is abandoned as of a date specified in the above named tariff, the rates from and to that station published in this tariff are inapplicable on or after that date.
30	<b>METHOD OF ADDING, CHANGING OR DELETING ITEMS IN THIS TARIFF:</b>  1. As this tariff is supplemented; numbered items with letter suffixes cancel corresponding numbered items in the original tariff or in a prior supplement. Letter suffixes will be used in alphabetical sequence, starting with A.  EXAMPLE: Item 5-A cancels Item 5 and Item 10-B cancels Item 10-A in a prior supplement, which; in turn, cancelled Item 10.  2. Unless otherwise indicated, latest publication of Item likewise cancels any prior publication of that Item.  EXAMPLE: Item 2.20 in supplement 1 cancels Item 2.20 in the original publication.  3. Changes to this tariff will be made by issuing supplements. These supplements will show the action taken on each item by the following reference marks:  [A] – Addition [I] – Increase [R] – Reduction [NC] – Brought forward without change [C] – Changes resulting in neither an increase nor a decrease  There will be only one supplement to this tariff in effect at any time. Any item contained in a prior supplement will be brought forward to subsequent supplements, showing the original effective date of the item.

ITEM	RULES AND OTHER GOVERNING PROVISIONS. SPECIAL RULES AND REGULATIONS - UNLIMITED
100	<b>BILLS OF LADING:</b>  Order Bill of Lading will not be issued to cover Intra-Terminal or Inter-Terminal switching movements.
110	<b>CHARGE FOR HAUL OF EMPTY RAILCARS NOT USED FOR LOADING:</b>  When an empty railcar is ordered to be loaded and is returned empty, the charge is the same as if the railcar was interchanged as a load to the BNSF or UP.
130	<b>CHARGES ON OVERLOADED RAILCARS:</b>  When an overloaded railcar is discovered in Intra-terminal, Inter-terminal, or Intra-plant switching service, the shipper will be given the opportunity to unload the excess at a charge of \$232.00 per railcar. The charge of \$232.00 per railcar will be in addition to all other applicable charges.
140	<b>DETENTION CHARGES ON HEAVY DUTY FLAT RAILCARS:</b>  For detention and use charges on heavy duty flat railcars, see Item 270 of Tariff RIC 6740-series.
150	<b>RETURN MOVEMENT OF RAILCARS PLACED FOR LOADING OR UNLOADING:</b>  Charges provided in this tariff include the return of empty railcars after unloading or placing of empty railcars for loading, except as provided herein.
160	<b>TERMINAL AND OTHER CHARGES:</b> <ol style="list-style-type: none"><li>1. Railcar Rental Charges and Demurrage will be governed by tariffs or other instruments of individual carriers.</li><li>2. The switching rates shown in this tariff cover the charge for movement of railcar and lading contained therein only and do not include charge for any additional service such as, but not limited to, heating, icing, protection of property from frost or freezing, refrigeration nor any factors entering into the refrigeration service, such additional service shall be furnished by and at the expense of the shipper.</li></ol>

170	<p><b>TURNING OF RAILCARS TO PERMIT LOADING OR UNLOADING:</b></p> <p>1. In instances where it is desired that freight in a railcar load be placed on delivery tracks for loading at stop-off points or unloading at stop-off points or destinations from one particular side or end of a railcar, railcars must be properly placarded on both sides and notation made on bill of lading and waybills substantially as follows:</p> <p style="text-align: center;"><b>NOTICE TO CARRIER</b></p> <p>Deliver railcar for loading at stop-off points or unloading at stop-off points or destinations from the door or railcar specified by placard.</p> <p>2. On freight in carloads, not properly placarded on both sides of railcar to load or unload from one particular side or end of railcar, which shipper or consignee, after initial placement of railcar, directs carrier to turn and return to the same track for loading or unloading from opposite side or end of railcar, the following shall apply:</p> <p style="text-align: center;"><b>CHARGES (Notes 1 and 2)</b></p> <p>A. If the railcar is turned at a Y or a turn-table within the confines of an industry, the Intra-Plant switching charge will apply.</p> <p>B. If the railcar is turned at a Y or turn-table within the same switching district but outside the confines of the industry, the Intra-Terminal switching charge will apply.</p> <p>C. If the railcar must be moved to a Y or a turn-table located outside the switching district and the round-trip distance to and from the Y or turn-table is:</p> <p style="padding-left: 40px;">a. 100 miles or less - <del>\$412.00</del><u>\$424.00</u> per railcar.</p> <p style="padding-left: 40px;">b. Over 100 miles – <del>\$824.00</del><u>\$849.00</u> per railcar,</p> <p>NOTE 1- If bill of lading carries notation that a railcar has been placarded and placard has disappeared before placement, the charge named herein will not apply.</p> <p>NOTE 2- If the line haul rate is lower than the charge for turning of the railcar, the line haul rate will be assessed.</p>
180	<p><b>DEFINITION OF INTRA-PLANT, INTRA-TERMINAL AND INTER-TERMINAL SWITCHING:</b></p> <p>1. For the purpose of the application of rates in this Tariff the terms Intra-Plant, Intra-Terminal, and Inter-Terminal switching are defined as follows:</p> <p>A. <b>INTRA-PLANT SWITCHING</b> - A switching movement from one track to another, or from one location to another location on the same track within the same plant or industry, and only when the physical movement is performed entirely within the confines of the plant or industry. (Same Industry)</p> <p>B. <b>INTRA-TERMINAL SWITCHING</b> - A switching movement (other than Intra-Plant switching) from one track to another of the same road, or from one location to another location on the same track within the switching limits of one station or industrial switching district. (Same Road)</p> <p>C. <b>INTER-TERMINAL SWITCHING</b> - A switching movement from a track of one road to a track of another road when both tracks are within the switching limits of the same station or industrial switching districts. (Road to Road)</p>

ITEM	SECTION 1 SWITCHING
1000	<p><b>APPLICATION:</b></p> <p>Switching rates and charges named in this section will apply for account TMBL as follows:</p> <ul style="list-style-type: none"> <li>A. Applicable at all points on the TMBL unless specified by written agreement.</li> <li>B. Intra-Terminal, Inter-Terminal and Intra-Plant service as described in Item 180, Intra-Terminal, Inter-Terminal and Intra-Plant services are applicable in connection with line haul traffic. Rates do not include wharfage, loading, unloading or other terminal expenses and apply only to freight loaded or unloaded by consignor or consignee within the switching limit of this section, except as otherwise authorized.</li> <li>C. Reciprocal Switching – A switch movement from an industry or firm on TMBL to interchange tracks of connecting carrier or vice versa, on line haul traffic (for rate to apply, see item 1010). The switching charge applicable, whether absorbed in whole or part, will be the charge in effect on the date of the actual physical interchange of the loaded railcar.</li> <li>D. Rates named herein include only the performance of normal switching service by and at the convenience of the carrier (TMBL). Normal switching contemplates only one switch per day and only on those days when the TMBL has regularly scheduled switching service at the plant site or industry, except the TMBL may, at its discretion only, make additional switches when deemed appropriate by the TMBL.</li> <li>E. The switching charge (unless otherwise specified) applies on the movement of a railcar loaded in one direction an empty in the other direction between the points named. If a railcar is loaded in both directions, the charge will be made for each loaded movement. Switching charges (unless otherwise specified) includes the spotting of a railcar one time at a designated spot within the plant site or industry or storage location. If an additional movement is necessary, on request of the industry, the applicable switch charge will be assessed.</li> <li>F. Special Switching – If requested by an industry or connecting carrier special switching will be performed at the sole discretion of the TMBL at the following charges. Such charges are in addition to all other applicable charges and switching rates named in this tariff. Special Switching charge will be assessed and billed to the industry or connecting carrier authorizing or requesting the special switching service (notes 1 and 2): <ul style="list-style-type: none"> <li>1. Monday through Sunday, exclusive of holidays, charge is <del>\$500.00</del><u>\$515.00</u> per hour with a minimum of two hours (<del>\$1,000.00</del><u>\$1,030.00</u>). Time in excess is computed to next half hour.</li> <li>2. Holidays, (note 2) subject to an application for such service in advance; charge is <del>\$654.00</del><u>\$674.00</u> per hour with a minimum of four hours (<del>\$2,616.00</del><u>\$2,696.00</u>). Time in excess is computed to next half hour.</li> </ul> </li> </ul> <p>NOTE 1 - Charges for intra-plant, intra-terminal or inter-terminal switching as the case may be, will be billed and assessed separately, and will not be usable as credits for special switching service charges.</p> <p>NOTE 2 - Holidays are identified as New Years Day, Washington’s Birthday, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas Day.</p>

1010	<p><b>LINE HAUL SWITCHING RATES AND CHARGES IN DOLLARS AND CENTS FOR RAILCARS:</b></p> <ol style="list-style-type: none"> <li>A charge of <del>\$51.00</del><u>\$52.50</u> per platform (See Note 1) for each loaded or empty intermodal railcar (See Note 2) between interchange with BNSF or UP; and an Intermodal Terminal (See Note 3).</li> <li>The following charges are per railcar for each loaded railcar interchanged with the BNSF or UP, other than intermodal railcars or unit trains (See Note 5), and other than railcars required to be placarded as carrying a hazardous commodity. (See Note 4) <ol style="list-style-type: none"> <li><del>\$306</del><u>\$315.00</u> for railcars interchanged in Tacoma</li> <li><del>\$570</del><u>\$587.00</u> for railcars interchanged in locations other than Tacoma</li> </ol> </li> <li>The following charges are per railcar for each loaded railcar interchanged with the BNSF or UP, other than intermodal railcars, required to be placarded as carrying a hazardous commodity. (See Note 4) <ol style="list-style-type: none"> <li><del>\$356</del><u>\$366.50</u> for railcars interchanged in Tacoma</li> <li><del>\$570</del><u>\$587.00</u> for railcars interchanged in locations other than Tacoma</li> </ol> </li> <li>A charge of <del>\$224.00</del><u>\$231.00</u> for each loaded railcar in a unit train (See Note 5) to a facility which can unload or load the unit train in its entirety. (See Note 4)</li> <li>A charge of <del>\$300.00</del><u>\$309.00</u> for each loaded railcar in a unit train (See Note 5) to a facility which cannot unload or load the unit train in its entirety. (See Note 4)</li> </ol> <p>NOTE 1 – A platform is a location within a railcar, used for loading containers, that is separated by articulations. Unless a railcar has no containers on any platform, it is considered a load.</p> <p>NOTE 2 – A loaded intermodal railcar is defined as having any number of containers on the railcar, regardless whether the containers are loaded or empty.</p> <p>NOTE 3 –Intermodal terminals are identified as follows:</p> <ol style="list-style-type: none"> <li>North Intermodal Yard – NIM</li> <li>South Intermodal Yard – SIM</li> <li>Hyundai Intermodal Yard – HIM aka WUT</li> <li>Pierce County Terminal – PCT</li> </ol> <p>NOTE 4 – When a non-intermodal shipment is made using railcars that are articulated, each articulation shall be counted as an additional railcar for purposes of applying this rate.</p> <p>NOTE 5 – A unit train is defined as a train consisting of more than 90 railcars, other than intermodal, all destined to a single facility.</p>
1020	<p><b>INTRA-PLANT SWITCHING:</b></p> <p>The charge is <del>\$139.00</del><u>\$143.00</u> per railcar, for railcars loaded or empty, for Intra-Plant switching service as defined in Item 180.</p>
1040	<p><b>RAILCARS, OLD, FOR SCRAPPING ONLY, MOVING ON OWN WHEELS:</b></p> <p>FROM – Interchange point of BNSF or UP in Tacoma, WA.</p> <p>TO – Scrapping plants or storage on the TMBL</p> <ol style="list-style-type: none"> <li>Charge is <del>\$306.00</del><u>\$315.00</u> per railcar. Intra-terminal Switch Charges in item 1160 will apply for movement from storage to plant or plant to storage.</li> </ol>

1060	<p><b>RAILCARS, FOR REPAIRS ONLY, MOVING ON OWN WHEELS:</b></p> <p>BETWEEN - Interchange points of BNSF or UP in Tacoma, WA.</p> <p>AND – Designated shop on TMBL</p> <p>OR – Staging track of designated shop on TMBL</p> <p>1. Charge is <del>\$306.00</del><u>\$315.00</u> per railcar.</p> <p>Charge applies for round trip movement of railcars from point of Interchange to shop site or staging and return and will be assessed on the initial movement.</p>
1070	<p><b>CRANES AND LOCOMOTIVES OWNED BY SCHNITZER STEEL:</b></p> <p>FROM – Any track on Schnitzer Steel property located at 1902 Marine View Drive, Tacoma, WA.</p> <p>TO – Any other track on Schnitzer Steel property located at 1902 Marine View Drive, Tacoma, WA.</p> <p>Charge is <del>\$306.00</del><u>\$315.00</u> per unit.</p>
1090	<p><b>LOCOMOTIVES, OLD FOR SCRAPPING ONLY, MOVING ON OWN WHEELS:</b></p> <p>FROM - Interchange point of BNSF or UP in Tacoma, WA</p> <p>TO – Scrapping plant or storage locations on the TMBL</p> <p>1. Charge is <del>\$306.00</del><u>\$315.00</u>per individual unit.</p> <p>Intra-terminal Switch Charges in item 1160 will apply for movement from storage to plant or plant to storage.</p>
1110	<p><b>LOCOMOTIVES, OLD, FOR REPAIRS ONLY, MOVING ON OWN WHEELS:</b></p> <p>FROM – Interchange point of BNSF or UP in Tacoma, WA.</p> <p>TO – Repair plants or storage locations on the TMBL.</p> <p>1. Charge is <del>\$306.00</del><u>\$315.00</u> per individual unit.</p> <p>Charge applies for round trip movement of locomotive between interchange and plant or storage location and will be assessed on the initial movement. Intra-terminal Switch Charges in item 1170 will apply for movement from storage to plant or plant to storage.</p>
1120	<p><b>ERROR DELIVERY AND SETBACK CHARGE:</b></p> <p>When loaded or empty railcars are delivered to TMBL in error by connecting carriers, and are returned to the same carrier without being loaded or emptied on TMBL, a charge per railcar will be assessed to the connecting carrier equal to that carrier's charge to TMBL for the same type of railcar movement. Charges for BNSF will be those specified for Interchange Error as provided in tariff BNSF 8005 series. Charges for UP will be those specified for Setback Charges as provided in tariff UP 6004 series. TMBL will not be responsible for car hire on these railcars, and will reclaim all car hire assessed from the connecting carrier.</p> <p>When loaded or empty railcars are delivered to the TMBL by connecting carriers due to an error by the Customer, any charges incurred by the railcar from the connecting carrier will be charged to the Customer by Tacoma Rail with a 10% administration fee in addition to any applicable Tacoma Rail charges.</p>



1160	<p><b>INTRA-TERMINAL/INTER-TERMINAL RAILCAR SWITCHING:</b></p> <p>Charges shown in this item apply for Intra-Terminal or Inter-Terminal switching, (except as otherwise shown in this section), as defined in Item 180. Charges do not apply on railway equipment as described in Item 1170. Intermodal rates are per platform. A platform is a location within a railcar, used for loading containers, that is separated by articulations.</p> <ol style="list-style-type: none"> <li>Intra-Terminal Charges <ol style="list-style-type: none"> <li>Non-intermodal - <del>\$285.00</del><u>294.00</u></li> <li>Intermodal - <del>\$75</del><u>\$78.00</u></li> </ol> </li> <li>Inter-Terminal Charge - <del>\$343.00</del><u>Rates in Item 1010 will apply</u></li> </ol>
1170	<p><b>INTRA-TERMINAL/INTER-TERMINAL RAILWAY EQUIPMENT SWITCHING:</b></p> <p>Charges shown in this Item apply per railcar and only on Railway Equipment, moved on own wheels, but not under own power.</p> <p>Locomotives, Locomotive Tenders or Locomotives and Tenders combined.</p> <p>Steam Shovels, Steam Derricks or Locomotive Cranes.</p> <p>Charges for Idlers (NOTE 1)</p> <ol style="list-style-type: none"> <li>Intra-Terminal Charge - <del>\$494.00</del><u>\$509.00</u></li> <li>Inter-Terminal Charge - <del>\$593.00</del><u>\$611.00</u></li> </ol> <p>NOTE 1 – Charges for idler railcars used in transportation of Locomotives or Tenders, Steam Derricks, Steam Shovels or Locomotive Cranes will be charged at rates named in Item 1160 for each railcar so used.</p>
1180	<p><b>LOADED OR EMPTY RAILCARS RELEASED AND NOT READY</b></p> <p>A charge of <del>\$100</del><u>\$103</u> per railcar will be assessed for each Customer railcar released and not available to be pulled or accepted by the TMBL. This charge is in addition to any applicable demurrage charges or other applicable charges.</p>
1200	<p><b>LATE PAYMENTS:</b></p> <p>Late Payments: Invoices are due and payable thirty (30) days following the date of the invoice.</p>
1220	<p><b>FUEL SURCHARGE:</b></p> <p>All loaded railcars will have a per railcar fuel surcharge applied in addition to the switch charge in item 1010-series.</p> <p>NOTE 1 – The fuel surcharge will be reviewed and adjusted quarterly.</p> <p>NOTE 2 – Adjustments to the fuel surcharge will reflect any rate changes to Tacoma Rail’s current fuel price above \$2.50 per gallon at the time of review. The Fuel Surcharge Rate will also include 10% to cover taxes and administrative costs.</p> <p>NOTE 3 – Fuel surcharge collected above or below actual cost of fuel over the previous three months will offset the new fuel surcharge rate appropriately. If the offset applied to the fuel surcharge drops below \$0.00, no fuel surcharge will apply.</p>

99999

**EXPLANATION OF ABBREVIATIONS AND REFERENCE:**

BNSF - BNSF Railway Company  
UP - Union Pacific Railroad Company  
FT - Freight Tariff  
TMBL - Tacoma Municipal Belt Line Railway and all lines served by it

[A] – Addition  
[I] – Increase  
[R] – Reduction  
[NC] – Brought forward without change  
[C] – Changes resulting in neither an increase nor a decrease

-END-

## **TACOMA MUNICIPAL BELT LINE RAILWAY**

**FREIGHT TARIFF TMBL 8807-J**

**Supplement #1**

(~~Cancels~~ This supplement contains all changes to Tariff TMBL 8807-~~J~~)

**NAMING**

**SWITCHING AND OTHER TERMINAL CHARGES  
AS PROVIDED IN SECTION 1 HEREIN**

**APPLYING AT ALL LOCATIONS ON THE  
TACOMA MUNICIPAL BELT LINE RAILWAY  
(TACOMA RAIL)**

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This tariff is also applicable on intrastate traffic, except where expressly provided to the contrary in connection with particular items.

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ISSUED: December 10, ~~2020~~2021

EFFECTIVE: January 1, ~~2021~~2022

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Dale W. King, Superintendent  
2601 SR 509 North Frontage Road  
Tacoma, WA 98421

ITEM	SECTION 1 SWITCHING
<b>1010</b> <u>I</u>	<p><b>LINE HAUL SWITCHING RATES AND CHARGES IN DOLLARS AND CENTS FOR RAILCARS:</b></p> <ol style="list-style-type: none"> <li>1. A charge of <del>\$52.50</del><u>\$54.00</u> per platform (See Note 1) for each loaded or empty intermodal railcar (See Note 2) between interchange with BNSF or UP; and an Intermodal Terminal (See Note 3).</li> <li>2. The following charges are per railcar for each loaded railcar interchanged with the BNSF or UP, other than intermodal railcars or unit trains (See Note 5), and other than railcars required to be placarded as carrying a hazardous commodity. (See Note 4) <ol style="list-style-type: none"> <li>a. <del>\$315.00</del><u>\$324.00</u> for railcars interchanged in Tacoma</li> <li>b. <del>\$587.00</del><u>\$600.00</u> for railcars interchanged in locations other than Tacoma</li> </ol> </li> <li>3. The following charges are per railcar for each loaded railcar interchanged with the BNSF or UP, other than intermodal railcars, required to be placarded as carrying a hazardous commodity. (See Note 4) <ol style="list-style-type: none"> <li>a. <del>\$366.50</del><u>\$377.00</u> for railcars interchanged in Tacoma</li> <li>b. <del>\$587.00</del><u>\$600.00</u> for railcars interchanged in locations other than Tacoma</li> </ol> </li> <li>4. A charge of <del>\$231.00</del><u>\$238.00</u> for each loaded railcar in a unit train (See Note 5) to a facility which can unload or load the unit train in its entirety. (See Note 4)</li> <li>5. A charge of <del>\$309.00</del><u>\$318.00</u> for each loaded railcar in a unit train (See Note 5) to a facility which cannot unload or load the unit train in its entirety. (See Note 4)</li> </ol> <p>NOTE 1 – A platform is a location within a railcar, used for loading containers, that is separated by articulations. Unless a railcar has no containers on any platform, it is considered a load.</p> <p>NOTE 2 – A loaded intermodal railcar is defined as having any number of containers on the railcar, regardless whether the containers are loaded or empty.</p> <p>NOTE 3 – Intermodal terminals are identified as follows:</p> <ol style="list-style-type: none"> <li>A) North Intermodal Yard – NIM</li> <li>B) South Intermodal Yard – SIM</li> <li>C) Hyundai Intermodal Yard – HIM aka WUT</li> <li>D) Pierce County Terminal – PCT</li> </ol> <p>NOTE 4 – When a non-intermodal shipment is made using railcars that are articulated, each articulation shall be counted as an additional railcar for purposes of applying this rate.</p> <p>NOTE 5 – A unit train is defined as a train consisting of more than 90 railcars, other than intermodal, all destined to a single facility.</p>
<b>1160</b> <u>I</u>	<p><b>INTRA-TERMINAL/INTER-TERMINAL RAILCAR SWITCHING:</b></p> <p>Charges shown in this item apply for Intra-Terminal or Inter-Terminal switching, (except as otherwise shown in this section), as defined in Item 180. Charges do not apply on railway equipment as described in Item 1170. Intermodal rates are per platform. A platform is a location within a railcar, used for loading containers, that is separated by articulations.</p> <ol style="list-style-type: none"> <li>1. Intra-Terminal Charges <ol style="list-style-type: none"> <li>a. Non-intermodal - \$294.00</li> <li>b. Intermodal - <del>\$78.00</del><u>\$81.00</u></li> </ol> </li> <li>2. Inter-Terminal Charge - Rates in Item 1010 will apply</li> </ol>

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**EXPLANATION OF ABBREVIATIONS AND REFERENCE:**

BNSF - BNSF Railway Company

UP - Union Pacific Railroad Company

FT - Freight Tariff

TMBL - Tacoma Municipal Belt Line Railway and all lines served by it

[A] – Addition

[I] – Increase

[R] – Reduction

[NC] – Brought forward without change

[C] – Changes resulting in neither an increase nor a decrease

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