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ADVISORY · OPERATIONS · IN THE FIELD

EXPOSURE READ 21

THE RATE

Seven questions for the railroad that sets the rate, and seven for the customer who pays it.

A read of a rate from both sides, the railroad that sets it and the customer who pays it: the short line's share of the through rate against what the move and the track cost. Seven questions for each side, the rate move by move, and the rate's clocks.

07

QUESTIONS

Run them on your own side. Your score is the reading.

10

WHAT TO DO WITH THE ANSWERS

Drawing the band, in order.

THE NUMBER NOBODY COMPUTES

The short line's share of the through rate, set beside its share of what the move costs to run and the track costs to keep. § 03

ISSUED BY
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THE RECORD 49 CFR Part 1300 · 49 CFR Part 1039 · 49 CFR Part 1150 · 49 CFR Part 1313 · 49 CFR Part 1144 · 49 U.S.C. 10701 · 49 U.S.C. 10704 · 49 U.S.C. 10707 · and 6 more on the pages that read them

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§ 01 ONE NUMBER HAS TO KEEP TWO BUSINESSES ALIVE

WHY THIS EXISTS

> *What you came here for:* What should this move cost?
>
> *The question this Read asks:* **What share of the through rate does the short line earn, against its share of what the move costs to run and the track costs to keep?**

A rate is the price of a move. It is also the railroad's budget for the track under the car and the customer's cost of staying on rail. *Set too low, it wears out the line. Set too high, it sends the car to the highway.*

The law leaves the price to the railroad. Unless the statute provides otherwise, a rail carrier "may establish any rate for transportation or other service provided by the rail carrier" (49 U.S.C. 10701(c)), and the rate must be reasonable only where the Board has found that the railroad holds market dominance over the move (10701(d)(1)). National policy puts competition and demand first in setting rates, and allows railroads to earn adequate revenues (10101(1), (3)).

WHERE THE RULES STOP, FOR THE RECORD

On a move over two railroads the customer may see one rate and never see the split. A through rate can be one joint rate for the whole move, its revenue divided between the carriers, or each railroad's own rate for its own part. Divisions must be reasonable and made without unreasonable discrimination against a participating carrier (10701(a)), and the Board can prescribe the division where the carriers' own does not meet that standard (10705(b)). *Nothing requires a short line to know what share of the through rate covers its own cost, and nothing requires the customer to know what the short line is paid.*

The rate also buys a service, and the service is where the customer feels it. A rate quoted with no window, no car supply and no demurrage terms beside it is a price for whatever arrives. First Mile, Last Mile, Every Mile (Door 16) counts the switch the rate pays for; this Read sets the price beside it.

These are answerable from your own records: the waybills and freight bills, the tariff or the contract, the division sheet and a year of costs. Run your own seven, then read the other side's. They take an afternoon and they require nobody's help, which is why they are yours to run.

Between the cost of the move and the customer's next best way lies the only rate that keeps both businesses running.

THE RECORD 49 U.S.C. 10701(c)

§ 02 RUN THEM ON YOUR OWN SIDE · YOUR SCORE IS THE READING

THE SEVEN, ON EACH SIDE

THE BAND · READ THIS FIRST

	THE NUMBER	WHOSE IT IS	WHAT IT DECIDES
01	The cost of running the move	The railroad's: crew, fuel, locomotive, car and switching, per car	The floor of the band, for the train
02	The cost of the track it runs on	The railroad's: maintenance and renewal, spread over the cars that use the line	The floor of the band, for the line
03	The customer's next best way	The customer's: truck, transload or another railroad, landed at his door	The ceiling of the band
04	The rate	Set by the railroad, under tariff or contract, alone or with its connection	Where in the band the move sits
05	The short line's share	Set between the railroads, as a division or as its own rate for its own part	Whether the floor is covered where the car is switched
06	The service	Written in the contract, in the tariff, or nowhere	What the rate actually buys

THE RAILROAD'S SEVEN · THE SIDE THAT SETS IT

	THE QUESTION	WHAT YOU ARE LOOKING FOR, AND WHAT A BAD ANSWER MEANS
01	What does each move cost you per car, and does that cost include the track it runs over?	Take your ten largest moves and cost each one per car: the crew's time, the fuel, the locomotive, the car hire and the switching at each end. Then add what the line under them costs to keep, spread over the cars that use it: ties, rail, surfacing, bridges, inspection. The statute's own measure of an adequate revenue level for a railroad as a whole covers "total operating expenses, including depreciation and obsolescence, plus a reasonable and economic profit or return (or both) on capital employed in the business" (49 U.S.C. 10704(a)(2)); each move's rate carries some share of that. **A rate built on the train's cost and not the track's spends the line a tie at a time.**
02	What does each customer's freight cost him by the next best way, landed at his door, and when did you last ask him?	The ceiling is the customer's number: the truck rate, the transload handling and drayage, or another railroad's rate, with the transit time and inventory each one costs him. The statute calls the absence of that choice market dominance, "an absence of effective competition from other rail carriers or modes of transportation for the transportation to which a rate applies" (49 U.S.C. 10707(a)). Ask the customer; if he has not priced it, The Captive Shipper (Door 4) shows him how. **A railroad that does not know the ceiling learns it when the car goes to the highway.**

THE RECORD 49 U.S.C. 10704(a)(2) · 10707(a)

§ 02 RUN THEM ON YOUR OWN SIDE · YOUR SCORE IS THE READING · CONTINUED

THE SEVEN, ON EACH SIDE

	THE QUESTION	WHAT YOU ARE LOOKING FOR, AND WHAT A BAD ANSWER MEANS
03	Which of your rates are tariff, which are contract and which are exempt, and who is owed notice before each one changes?	A common carrier rate cannot rise, nor its service terms change (other than by a change equivalent to a rate reduction), until 20 days after written or electronic notice to anyone who formally asked for it, or arranged a future shipment under it, in the past 12 months (49 U.S.C. 11101(c); 49 CFR 1300.4(a)), and the notice "must clearly identify the increases in rates or charges or the changes in service terms" (49 CFR 1300.4(d)). Contract traffic is outside those rules (1300.1(c)), and so is traffic the Board has exempted from them, which takes in, among others, boxcar traffic, intermodal traffic, farm products other than grain, soybeans and sunflower seeds, and a list of other commodities (1300.1(d); 1039.10, 1039.11, 1039.13, 1039.14). **A railroad that cannot say which rule governs each rate cannot say whom it owes a letter.**
04	What is your share of each through rate, how was it set, and when was it last read?	For each interline move, write the through rate, your share of it and how the share is set: a division of one joint rate, or your own rate for your own part, billed separately under the industry's Rule 11. Then write the date it was set, and the date anyone last read it against your cost. Divisions must be reasonable, and a railroad may not discriminate in its rates against a connecting line (49 U.S.C. 10701(a), (b)). **A division set when the line was sold and never reopened is a price nobody has read.**
05	Does anything in your lease, purchase or interchange agreement limit where your traffic can go, or what you earn if it goes elsewhere?	Look for what the Board calls an interchange commitment, a provision that "may limit future interchange with a third-party connecting carrier, whether by outright prohibition, per-car penalty, adjustment in the purchase price or rental, positive economic inducement, or other means" (49 CFR 1150.43(h)(1)). A filing under the Board's exemptions for acquiring or leasing a line must say whether one exists, and where one does, the filer must notify the shippers that used the line in the past two years (1150.33(h), 1150.43(h)). **A line that can reach only one connection takes its through rate from that connection.**
06	When a rate rises, who is told, how far ahead, and what does the same letter say about service?	Pull the last three rate letters. Each should name the move, the old rate and the new, the date it takes effect and the reason, and it should reach every customer owed notice at least 20 days ahead (1300.4(a)). Then read what each one says about service: the window, the car supply, the track. The customer reads the rise and the service in the same letter, or he reads only the rise. **A rate letter with no service line in it reads as a bill.**
07	Which customers would the next increase cost you, and what was their traffic paying toward the track?	For each customer, set the rate you plan beside the ceiling from question 02. Where the new rate crosses it, the car goes, and what that car paid toward the line lands on every customer who stays. Not every lever is the rate: a short line may assign miles of its track, for the track maintenance credit, to a shipper on its line, once a year, and the shipper can then claim the credit on qualified maintenance it pays for or incurs (26 U.S.C. 45G(a), (b)(2), (c)(2)). **A rate that prices a customer off the line raises the cost of the line for everyone left on it.**

THE RECORD 49 U.S.C. 11101(c) · 49 CFR 1300.4(a) · 1300.4(d) · 1300.1(c) · 1300.1(d) · 1039.10 · 1039.11 · 1039.13 · 1039.14 · 49 U.S.C. 10701(a) · 49 CFR 1150.43(h)(1) · 1150.33(h) · 1150.43(h) · 26 U.S.C. 45G(a)

§ 02 RUN THEM ON YOUR OWN SIDE · YOUR SCORE IS THE READING · CONTINUED

THE SEVEN, ON EACH SIDE

THE CUSTOMER'S SEVEN · THE SIDE THAT PAYS IT

	THE QUESTION	WHAT YOU ARE LOOKING FOR, AND WHAT A BAD ANSWER MEANS
01	What do you pay per car, all in, and does every charge on the bill trace to a rate or a term you were given?	Take a year of freight bills and put every line on one page per car: the base rate, the fuel surcharge, switching, demurrage and storage, and anything else. On a formal request a railroad must disclose "the specific rate(s) requested (or the basis for calculating the specific rate(s)), as well as all charges and service terms that may be applicable" (49 CFR 1300.2(a)), and service terms take in all the classifications, rules and practices that affect the rates, the charges or the level of service (1300.1(e)). **A charge you cannot trace to something you were given is a question, not a cost.**
02	Have you made a formal request for every rate you ship on, so that you are told before it rises?	A formal request is one that "clearly notifies the railroad that the requester seeks not only immediate information but also notification of any future increases in the rate(s) involved or changes in pertinent service terms" (49 CFR 1300.2(a)). It puts you among those owed 20 days' notice before the rate rises, for the 12 months after you make it (1300.4(a)(1)), as does a future shipment arranged under the rate (1300.4(a)(2)). Make it in writing, and make it again each year. For agricultural products, grain and its products included, and for fertilizer, the railroad must also publish its rates and any proposed and actual changes, open to public inspection (49 U.S.C. 11101(d); 49 CFR 1300.5). **Off the list, and outside the published agricultural and fertilizer rates, a shipper learns of the rise from the bill.**
03	Which of your moves are under a tariff, which under a contract and which exempt, and what does each leave you?	Under a tariff you are owed the rates on request, notice before they rise, and transportation on the rates and terms as published or made available (49 U.S.C. 11101(b), (c), (e)). Under a contract the railroad owes only what the contract says, and the remedy for a breach is a suit in court unless the contract says otherwise (10709(b), (c)). On exempt traffic, boxcar traffic among it, the notice rules do not apply (49 CFR 1300.1(d); 1039.14). The Captive Shipper (Door 4) reads the contract. **Know which one you are on for every move, and what moving between them would cost you.**
04	Where does your rate sit between what the move costs the railroad and what it would cost you by the next best way?	Your landed alternative is the ceiling of the band, the most the rate can be before the car goes; The Captive Shipper (Door 4) prices it and builds your whole position on it. The floor is the railroad's cost of running the move and keeping the track under it. You will not see its books, but you can ask the short line what the line under your cars needs, and that is your question as much as its own. **A rate near your ceiling is the railroad pricing your alternative; a rate below its floor is paid for by the track under your cars.**

THE RECORD 49 CFR 1300.2(a) · 1300.1(e) · 1300.4(a)(1) · 1300.4(a)(2) · 49 U.S.C. 11101(d) · 49 CFR 1300.5 · 49 U.S.C. 11101(b) · 49 CFR 1300.1(d) · 1039.14

§ 02 RUN THEM ON YOUR OWN SIDE · YOUR SCORE IS THE READING · CONTINUED

THE SEVEN, ON EACH SIDE

	THE QUESTION	WHAT YOU ARE LOOKING FOR, AND WHAT A BAD ANSWER MEANS
05	What service does the rate buy, and is any of it written down?	List what you need with the rate: the switch window and cut-off, car supply, transit time, demurrage free time, and what happens when the railroad misses. Under a contract each can be written. The summary of an agricultural contract filed with the Board shows whether the contract carries such features, though not their terms, among them “transit-time commitments, credit terms, discounts, switching, special demurrage, guaranteed or minimum percentages” (49 CFR 1313.6(a)(9)). First Mile, Last Mile, Every Mile (Door 16) counts what arrives. **A rate with no service written beside it buys whatever arrives.**
06	On a move over two railroads, what does the short line that switches you receive from your rate, and does it know what you pay?	You may pay one through rate and never see the split: one joint rate whose revenue the railroads divide, or each railroad’s own rate for its own part, on separate bills under Rule 11. Ask the short line what its part pays, and where your contract allows, tell it what you pay in all. A short line underpaid for your switch cannot afford to keep the window. **The railroad at your gate does the switching at your end of the trip, and it may be paid the least for it.**
07	If the rate is wrong, what can you prove, and where?	Before the Board can find a rate unreasonable it must find the railroad holds market dominance over the move (49 U.S.C. 10707(b), (c)), and it must find none where the railroad shows the rate brings in less than 180 percent of its variable cost (10707(d)(1)(A)). The Board must keep one or more simplified and expedited methods for cases where a full stand-alone cost presentation is too costly, given the value of the case (10701(d)(3)). An accessorial charge, a rule or a practice is another matter: the railroad must keep its rules and practices reasonable (10702(2)), and a challenge to one does not wait on a finding of market dominance, unless the charge is in substance a rate. Under a contract none of that applies (10709(c)). The same records carry a negotiation, which is where the work starts. **The case is made of your own records, the alternative, the bills and the service, and they are worth more kept now than gathered later.**

ONE TABLE · THE CUSTOMER, THE SHORT LINE AND THE CONNECTION

	AT THE TABLE	WHAT EACH BRINGS	WHAT EACH LEAVES WITH, IF THE RATE IS RIGHT
01	The customer	His volume, his landed alternative, the service he needs and the term he can commit to	A rate inside the band, the service written beside it, and notice before either changes
02	The short line	Its cost per car, what its track needs, and its share of the through rate	A share that covers its part of the move, and volume it can plan crews and track around

THE RECORD 49 CFR 1313.6(a)(9) · 49 U.S.C. 10707(b)

§ 02 RUN THEM ON YOUR OWN SIDE · YOUR SCORE IS THE READING · CONTINUED

THE SEVEN, ON EACH SIDE

	AT THE TABLE	WHAT EACH BRINGS	WHAT EACH LEAVES WITH, IF THE RATE IS RIGHT
03	The connecting railroad	The through rate, its own cost and its routing	The traffic kept on rail, and on its line
04	The public owner, where there is one	The lease, and what the line must carry to be kept	A line whose traffic pays toward its keep

SEVERAL SHIPPERS, ONE TABLE

A rail contract may have one or more railroads on one side and one or more purchasers of rail service on the other (49 U.S.C. 10709(a)). How competing shippers come to that table together is a question for antitrust counsel before the first joint meeting: the rail statute's antitrust exemption for shippers reaches only agreements on what railroads pay for using shipper-owned or leased cars, and only with the Board's approval (10706(a)(5)), and farmers acting together in a qualifying association have a statute of their own (7 U.S.C. 291). *A short line and its own shipper are not competitors, and a through rate is their common ground.*

Two of the numbers are the railroad's and one is the customer's. The rate is right only between them. The floor is yours to know and the ceiling is the customer's to tell. Price between them, or price the line away. The rate is the railroad's to set and yours to read. Read it against your alternative and the service it buys. A rate that keeps one of them and loses another loses the car.

§ 03 ARITHMETIC ON YOUR OWN FIGURES

WHAT A MISSING ANSWER COSTS

None of the following is an industry average and none is quoted as one. Each is a calculation performed on your own numbers, which is why it will survive being challenged.

I. THE COST OF THE MOVE, PER CAR

Your ten largest moves, each costed per car with the track under it, set beside what each one pays. **The moves below the line are being carried by the track.**

II. THE CEILING, CUSTOMER BY CUSTOMER

Each customer’s next best way, landed, set against his rate. The margin is how much room either side has before the car goes.

III. THE NOTICE OWED

Every rate you ship on or charge, and for each, who has a formal request on file. Every gap is a rise that arrives as a bill.

IV. THE SHARE NOBODY READ

Each through rate, the short line’s share of it, and the year the share was last set against cost.

V. THE NUMBER NOBODY COMPUTES, AND IT IS THE ONE THAT MATTERS

The short line’s share of the through rate, set beside its share of what the move costs to run and the track costs to keep. *Where the two part, someone on the line pays the difference*, and on a short line it is paid in track.

THE RECORD 49 CFR Part 1300 · 49 CFR Part 1039 · 49 CFR Part 1150 · 49 CFR Part 1313 · 49 CFR Part 1144 · 49 U.S.C. 10701 · 49 U.S.C. 10704 · 49 U.S.C. 10707 · and 6 more on the pages that read them

§ 04 DRAWING THE BAND, IN ORDER

WHAT TO DO WITH THE ANSWERS

Most of this either side can run alone, and the order decides the answer. *Start with the rate and you will fight over a number. Start with the band and you will both be looking at the same page.*

	THE STEP	WHAT IT IS ACTUALLY LOOKING FOR
01	Last year's moves, car by car	Origin, destination, route, rate basis and carloads. The list every other step works from.
02	The cost per car of each move	The train and the track, from the railroad's own figures. Railroad question 01.
03	The next best way for each move	Landed at the customer's door. Railroad question 02, customer question 04.
04	The band, drawn	Each move's rate set between its floor and its ceiling. **The moves outside it are the finding.**
05	Tariff, contract or exempt	For each move, and who is owed notice before it changes.
06	The shares of each through rate	How each was set, and the date it was last read against cost.
07	The interchange agreements	Anything in the lease, the sale or the interchange terms that limits where the traffic goes.
08	The service each rate buys	The window, the car supply and the demurrage terms: written, or not.
09	Who belongs at the table	The customer, the short line, the connecting railroad, and the public owner where there is one.
10	The finding — which moves, which side of the band, and what would bring each inside it	Name the moves priced above the ceiling or below the floor, and the one change for each that would bring it inside. If nothing changes, the next increase decides it for you.

Draw the band before you move the rate.

DRAW THE BAND. · THEN MOVE THE RATE.

THE RECORD 49 CFR Part 1300 · 49 CFR Part 1039 · 49 CFR Part 1150 · 49 CFR Part 1313 · 49 CFR Part 1144 · 49 U.S.C. 10701 · 49 U.S.C. 10704 · 49 U.S.C. 10707 · and 6 more on the pages that read them

§ 05 THE RECORD, THE CONVERSATION, AND WHAT WAITING COSTS

IF THE ANSWER WAS NO

A question you could not answer is not a verdict. It is a piece of work with a known first step. Here is what a competent person does with each one: the record to pull, the conversation to have, and what the same item costs early against what it costs late.

	THE ONE THAT CAME BACK	THE RECORD, THE CONVERSATION, AND THE CURVE
01	The cost per car	**Pull:** a year of crew, fuel, locomotive, car and track costs, by line segment. **Talk to:** your accountant and your roadmaster, together. **The curve:** costed before the next rate letter, the rate has a floor; costed after, the track has been paying it.
02	The ceiling	**Pull:** the customer's freight bills, and quotes from a trucker and a transload. **Talk to:** the customer, before the rate changes. **The curve:** asked before, the ceiling is a number; found after, it is a lost car.
03	The notice	**Pull:** every rate and the formal requests on file for it. **Talk to:** the customer's traffic office, or the railroad's pricing desk. **The curve:** a request made now is twenty days' warning; never made, it is a surprise on the bill.
04	The share	**Pull:** the division sheets and the interline agreements. **Talk to:** the connecting railroad's marketing and pricing people. **The curve:** reopened while the traffic is steady, a share is a negotiation; reopened after the line falters, it is a rescue.
05	The interchange limit	**Pull:** the lease or purchase agreement and the Board filing that went with it. **Talk to:** counsel. **The curve:** known now, it is a term to price; found at the next renewal, it is the term that priced you.
06	The service	**Pull:** the contract or tariff, and a year of the switch log. **Talk to:** the trainmaster and the customer's dock. **The curve:** written now, the service is part of the rate; left unwritten, it is whatever the work list allows.
07	The table	**Pull:** everything above, one page per move. **Talk to:** the other side, with the band drawn. **The curve:** brought to the table now, it is a negotiation; brought after the car has gone to the highway, it is a count of what was lost.

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§ 05 THE RECORD, THE CONVERSATION, AND WHAT WAITING COSTS · CONTINUED

IF THE ANSWER WAS NO

NONE OF THAT REQUIRES THIS FIRM

It is what a competent person does, written out so that you can do it. What is not written here, and cannot be, is the judgment about the rate and the line in front of you: which move matters most, what the last increase has already set running, and what the band says when every move is laid in order by someone who neither sets the rate nor pays it. That does not generalize. It is what the firm sells, whether it takes on one piece of the work or the whole of it.

THE FIRST NUMBER IS CHEAP. · IT IS THE GUESS THAT IS EXPENSIVE.

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§ 06 THE RATE HAS MORE THAN TWO PARTIES TO IT

WHO ELSE SHOULD RUN THESE

These questions are written for whoever sets a rate or pays one. *Six others live on the same number and generally read it later.*

I. THE CONNECTING RAILROAD

It quotes the through rate and holds the other end of the division. **A short line's share is settled between two railroads or it is not settled.**

II. THE PUBLIC OWNER OF THE LINE

Where a state, a port or a county owns the track, its lease sets what the line must carry, and the rate decides whether it can. Run railroad question 07 with it.

III. ACCOUNTS PAYABLE AND THE TRAFFIC OFFICE

They pay the bills and order the cars. Customer question 01 is a check they can run on the next bill, before it is paid.

IV. THE OWNER AND THE LENDER

A rate below the floor shows on the track before it shows on the books. **The track is the collateral.**

V. TAX COUNSEL

The track maintenance credit returns part of what the track costs to keep, and its miles can follow the traffic to a shipper (26 U.S.C. 45G). The details are counsel's.

VI. ANTITRUST COUNSEL

Before shippers who compete with each other sit down together on what they will pay. **The joint contract can be lawful and the meeting before it not.**

VII. THE COMMON THREAD

Every party above lives on the same rate, and none of them sees all of it. **A rate holds only where both sides can see the band**, and each side holds half of it.

§ 07 FROM THE RAILROAD'S SIDE OF THE TABLE

ONE RATE, AND WHAT IT FOUND

One short line's rate, told from inside the railroad that set it. *No railroad, customer or town is named here, and none needs to be.*

I. WHAT THE JOB WAS

A short line on a branch it leased, its main traffic grain, and the line heavily dependent on one shipper. The railroad's own plan said what that meant: if that shipper shipped in quantity, at a rate that paid what it cost to carry his grain, the railroad could operate the branch and maintain it.

II. WHAT THE PAPERS SAID

For years the grain had moved for less than it cost to carry, the loss partly offset by better rates elsewhere on the railroad and by side work. A small increase the year before had not closed the gap. **One shipper's freight was riding, in part, on the rest of the railroad.**

III. WHAT THE GROUND SAID

A hi-rail inspection of the branch, the maintenance it would need, and what the lease would require of the track in the years ahead.

IV. WHAT WAS TAKEN APART AND REBUILT

An increase issued that spring was rescinded within the month. After the railroad consulted its stakeholders and read the inspection, the rate was rebuilt, designed to pay all of the grain's operating cost, fund the track maintenance the branch needed, and leave a modest margin. It went to the shipper in writing a month before it took effect, and the same letter promised that the service would continue.

V. WHAT IT COST, AND WHAT WOULD BE DONE DIFFERENTLY

The rate came too late. By then the railroad was too far behind. It cost years of grain moved below cost, carried in part by the rest of the railroad and by side work, while the branch waited on maintenance the rate had not paid for. Done again, the rate would have been read against the track and the lease years sooner, while there was still time for it to matter. *A rate that lets one shipper's freight run below cost is paid for by the line, and the bill comes due at the renewal.*

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§ 08 SO YOU KNOW WHAT YOU WOULD BE BUYING

WHAT THE WORK ACTUALLY PRODUCES

HOW THE WORK RUNS	IN OPERATING TERMS
What we look at first	The move, car by car: what it costs to run and what the track under it costs to keep, built from your own figures, before any rate is judged.
What we test	The rate against its band: the customer's next best way landed at his door; how the rate is held and who is owed notice; the short line's share of the through rate and how it was set; and a year of bills traced line by line to the rate and terms that set them.
What we cut	Rates already inside the band. A move whose rate holds is closed in a line, and the time goes to the ones outside it.
What you get	The cost of the move with the track under it, the bill read whole, the share reopened with the case put to the connecting railroad, a position built and carried where the customer asks, and a straight answer on whether the rate holds. Not a rate case, and not legal advice. Yours to keep.

WHAT ARRIVES	WHAT IT IS, AND WHAT IT IS NOT
The band, drawn	Each move's rate set between what it costs to run, the track under it, and the customer's next best way. **The one page both sides can negotiate from.**
The cost of the move	Per car, by move, with the track under it, built from the railroad's own figures.
The bill read whole	A year of bills traced, line by line, to the rate and terms that set them, with formal requests made where they were missing.
The share reopened	The short line's part of each through rate set against its cost, and the case for changing it put to the connecting railroad.
The position, built and carried	A position built with the customer, in writing, and carried to the railroad on his behalf where he asks; the Board's rule on requests for a new rate names "a shipper or a prospective shipper or person acting on behalf of a shipper" (49 CFR 1300.3). **SteelWheels.Co sits on one side of the table, the side that engaged it, and says which before the work begins.**
A straight answer on whether the rate holds	Including, on some moves, that it does. **This read finds a rate sound whenever it is.**

THE RECORD 49 CFR 1300.3

§ 08 SO YOU KNOW WHAT YOU WOULD BE BUYING · CONTINUED

WHAT THE WORK ACTUALLY PRODUCES

WHAT ARRIVES	WHAT IT IS, AND WHAT IT IS NOT
As needed, or the whole of it	SteelWheels.Co works as a partner on contract, for the railroad or for the customer, in either of two ways. **As needed:** one piece, a set of moves costed, a share reopened or a rate carried to the table, its question named and fixed in writing before the work starts. **The whole of it:** the firm carries everything on this page, retained for as long as you need it. For a railroad, that is the pricing desk: the costs kept current, the band drawn for every move, the notices and the shares kept in order. For a customer, it is the rate and traffic office: the bills read, the formal requests kept on file, and the position built and carried to the table, with the short line beside him, and with other shippers where counsel has cleared it.
And what it is not	Not a rate case, and not legal advice: whether a remedy before the Board is open turns on facts about the traffic and its alternatives, which this work establishes and counsel then needs. Not a count of the switch, which First Mile, Last Mile, Every Mile keeps.

WHAT YOU CAN HOLD US TO	WHAT IT MEANS ON YOUR PROPERTY
The question	Fixed in writing before the work starts, and the page is yours to keep.
The name	One railroader scopes the work, sees it through and signs the finding. **He answers for it from the first day to the last, and after.**
The basis	Every finding cites what it stands on, the record or the field check, so your own people can test it.
The straight answer	When the operation holds, the finding says so, and the work stops there.
The stages	Each stage ends on something you can use if you stop there.
The check-back	A return date is set at the start. Where the work leaves a fix, we come back on that date and measure whether it held.

THE RECORD 49 CFR Part 1300 · 49 CFR Part 1039 · 49 CFR Part 1150 · 49 CFR Part 1313 · 49 CFR Part 1144 · 49 U.S.C. 10701 · 49 U.S.C. 10704 · 49 U.S.C. 10707 · and 6 more on the pages that read them

§ 09 AND IF YOU DO NOT

IF YOU WANT A SECOND SET OF EYES

THE QUESTIONS IN § 02 ARE THE TEST OF THE FIRM THAT WROTE THEM

Run them, and judge the firm by what they find.

These fourteen are yours to run, and if the rate holds you owe nobody anything. The band in § 04 wants two readers, and **the second neither sets the rate nor pays it**, because the question he asks is the one neither side can comfortably ask about itself. If you need that second reader, write and say what is missing and when you need it. If you need more than a reader, the firm takes on one piece of the work or the whole of it (§ 08).

SteelWheels.Co is a firm of career railroaders, with better than 160 years of combined field experience. Nobody we send learns railroading on your property. The reason this document knows the rate from both sides of the table is that the people who wrote it have made the case for a short line's rate from inside the railroad and sold its service to the shippers who paid it. That is a standard, not a résumé. Ask for the name and the territory, and check them.

§ 10 WHAT A RAILROAD MEANS WHEN IT SAYS THESE

THE WORDS, DEFINED

Joint rate

THE TERM	WHAT IT ACTUALLY MEANS, AND WHY IT IS ON THIS PAGE
Through rate	A rate for the whole move, however many railroads carry it: one joint rate whose revenue the railroads divide, or each railroad's own rate for its own part.
Division	A railroad's share of a joint rate. It must be reasonable and made without unreasonable discrimination against a participating carrier (49 U.S.C. 10701(a)). It is set between the railroads, and the customer may never see it.
Rule 11	The industry's accounting rule for one move under one through bill of lading, billed separately by more than one of the railroads, each on its own rate, to keep a price confidential or to meet a customer's needs.
Tariff, contract, exempt	A tariff rate is given on request and changed on notice; a contract rate sits outside the Board's rules, all but the summary and review of agricultural contracts, and is enforced in court (49 U.S.C. 10709); exempt traffic, boxcar traffic among it, sits outside them, save the matters the Board kept (49 CFR 1039.14(b)).

THE RECORD 49 U.S.C. 10701(a) · 10709 · 49 CFR 1039.14(b)

§ 10 WHAT A RAILROAD MEANS WHEN IT SAYS THESE · CONTINUED

THE WORDS, DEFINED

Joint rate

THE TERM	WHAT IT ACTUALLY MEANS, AND WHY IT IS ON THIS PAGE
Formal request	A request for a rate that also asks to be told of future changes. It puts the customer on the list owed 20 days' notice (49 CFR 1300.2(a), 1300.4(a)).
Service terms	The classifications, rules and practices that affect the rates, the charges or the level of service (49 CFR 1300.1(e)). The service a rate buys is one of them.
Market dominance	No effective competition from another railroad or another mode for the move. A rate must be reasonable only where the Board has found it (49 U.S.C. 10701(d)(1), 10707).
Revenue to variable cost	The rate as a percentage of the railroad's variable cost of the move, computed on the Board's Uniform Rail Costing System and not on the per-car cost in railroad question 01 (49 U.S.C. 10707(d)(1)(B)). Below 180, the Board finds no market dominance where the railroad shows it; 180 or above settles nothing either way (49 U.S.C. 10707(d)).
One rate for the whole move, established by the participating carriers under 49 U.S.C. 10703, whose revenue is divided between them.	
Combination rate	The sum of two or more factors — each railroad's local rate, or a proportional rate — added together for the through move. The Accounting Rules describe a combination-rated shipment as one rated with two or more local price authorities, one for each carrier's division, and then billed by one carrier (Freight Mandatory Rule 185(A)(1)(b)).
Proportional rate	A factor that applies to a haul as part of a through movement, and that differs from the local rate for traffic that originates or terminates at the junction (ICC v. Mechling, 330 U.S. 567, 569 (1947)).
Interchange commitment	A term in a line's sale or lease that limits interchange with another railroad, by prohibition, penalty, price or inducement (49 CFR 1150.43(h)).

THE RECORD 49 CFR 1300.2(a) · 1300.4(a) · 1300.1(e) · 49 U.S.C. 10701(d)(1) · 10707(d)(1) · 10707(d) · 10703 · 49 CFR 1150.43(h)

§ 11 ONE THROUGH BILL, MORE THAN ONE BILL TO PAY

RULE 11, AND THE ALTERNATIVES

A move over two railroads can be priced as one rate or as each railroad's own rate for its own part. The customer may see one bill or several. The paper the car moves on can be a single through bill of lading in either case.

RULE 11 IS NOT A STATUTE AND NOT A BOARD REGULATION

It is Freight Mandatory Rule 11 of the Association of American Railroads' *Railway Accounting Rules (Including ISS Rules)*, effective 01 DEC 2016, except as otherwise noted, last updated 01 OCT 2026. The present text of the rule has been in effect since 01 JAN 2010. Its title is "Through Waybilling of Shipments Which Require More Than One Carrier To Collect Charges." It is mandatory and binding on carriers certified in the Interline Settlement System, and recommended for carriers that are not. The Rules do not say how often a carrier that is not certified in the System uses the rule. Ask the connecting railroad whether the move will be waybilled in the Interline Settlement System, and under Rule 11 or as a through rate. It is an inter-carrier accounting rule. The Rules say they are not to be read as defining a carrier's policy toward the public, and that carriers may enter into bilateral agreements that supersede them (Freight Mandatory Rule 1).

The rule applies when a shipment is to move from origin to destination "with more than one linehaul carrier responsible to assess and collect freight and accessorial charges," on "shipments covered by a through Bill of Lading." Its stated purpose is "to protect confidential prices and/or meet customer requirements by providing multiple freight bills." Each carrier issues its own freight bill for its own part. A Rule 11 notification waybill is submitted to the Interline Settlement System; the initial carrier of each interline portion then issues its own revenue waybill for that portion. The shipper, or the party named to pay, must be identified, with a complete name and billing address, for each portion beyond the origin carrier's billing responsibility. If the same party pays every portion, the name is given once. The Interline Settlement System's own procedures, revised March 2026, carry the same structure (ISS Front Matter, § 1.1.5).

Do not confuse this Rule 11 with Interline Switching Mandatory Rule 11 in the same book, which is a switching rule and not a rate rule.

The shipper moves the car on one through bill of lading and receives more than one freight bill: each carrier's rate, and its accessorials, for its own part of the route. The shipper can negotiate each factor with the railroad that sets it, and can keep one railroad's price from the other. The shipper must also reconcile those bills, and must put the billing information on the bill of lading at the start, or the settlement will not run.

THE RECORD 49 CFR Part 1300 · 49 CFR Part 1039 · 49 CFR Part 1150 · 49 CFR Part 1313 · 49 CFR Part 1144 · 49 U.S.C. 10701 · 49 U.S.C. 10704 · 49 U.S.C. 10707 · and 6 more on the pages that read them

§ 11 ONE THROUGH BILL, MORE THAN ONE BILL TO PAY · CONTINUED

RULE 11, AND THE ALTERNATIVES

The short line sets and collects its own rate for its own part. It sees what it earns. It is not waiting on a division of a through rate it may never have been shown. It also takes on the work and the credit risk of billing and collecting that rate, and it must be prepared to waybill through the Interline Settlement System, or to make another arrangement with the connecting railroad.

A Rule 11 factor may itself be a tariff rate, a contract rate or an exempt rate. Which of those it is decides which Board rules reach it, as question 03 already asks.

THE ALTERNATIVES

A through rate, or joint rate, is one rate for the whole move. The customer may see one bill. The railroads divide the revenue between them. That share is a division. Divisions of joint rates must be reasonable and made without unreasonable discrimination against a participating carrier (49 U.S.C. 10701(a)). Rail carriers shall establish through routes with one another, and the rates and classifications that apply to those routes (10703). Where their division of a joint rate violates 10701, the Board shall prescribe the division (10705(b)). The Board may also prescribe through routes and joint rates when it considers it desirable in the public interest (10705(a)(1)). A party that intends to ask the Board to prescribe a through route, a joint rate or reciprocal switching must first seek to negotiate, at least five days before (49 CFR 1144.1(a)).

A single-factor through rate is that joint rate stated as one number from origin to destination. A combination rate is the sum of two or more factors, each railroad’s local rate or a proportional rate, added together for the through move. The Accounting Rules themselves describe a combination-rated shipment as one “rated with 2 or more local price authorities, one for each carrier’s division, and then billed by one carrier” (Freight Mandatory Rule 185(A)(1)(b)). That is the same building of factors, with one bill instead of several. A proportional rate is a factor that applies to a haul as part of a through movement, and that differs from the local rate for traffic that originates or terminates at the junction (ICC v. Mechling, 330 U.S. 567, 569 (1947)).

THE RECORD 49 U.S.C. 10701(a) · 49 CFR 1144.1(a)

§ 11 ONE THROUGH BILL, MORE THAN ONE BILL TO PAY · CONTINUED

RULE 11, AND THE ALTERNATIVES

On a through move that is not billed under Rule 11, the origin carrier issues a revenue waybill with rates and divisions, and the Interline Settlement System distributes it. Carriers concur or record an opinion. Settlement and the exchange of funds run through the Railroad Clearinghouse. Rule 11 uses the same System, but for notification and for each carrier's own revenue waybill on its own part. A settled Rule 11 waybill can be resubmitted as a through waybill, if no funds have transferred, by reference to the prior identification number (Freight Mandatory Rule 160). The Rules also provide for a carrier to cancel a Rule 11 notification and substitute a through revenue waybill, or the reverse (Rule 11(C), (D)). The two forms are alternatives the carriers can move between, not two unrelated worlds.

Contract rates under 49 U.S.C. 10709 may be written as a through contract, with one or more railroads on one side and one or more purchasers of rail service on the other (10709(a)), or as a contract covering only one railroad's factor on a Rule 11 move. Under a contract the railroad owes only what the contract says, and the remedy for a breach is a suit in court unless the contract says otherwise (10709(b), (c)). The Board's rate-reasonableness rules do not apply to the contracted traffic, except as the statute keeps a review of agricultural contracts.

A short line may also concur in a through rate only if its required revenue is stated, as a division or as a condition of concurrence. That arrangement is still a through rate, not Rule 11. Write the condition down. The Accounting Rules and the statute do not give this arrangement a name of its own. "Revenue needs" appear in the older divisions cases as one of the things the Commission considered when it prescribed a division of a joint rate, not as a separate kind of rate (United States v. Abilene & Southern Ry. Co., 265 U.S. 274 (1924)).

WHAT THE BOARD CAN REACH

§ 11 ONE THROUGH BILL, MORE THAN ONE BILL TO PAY · CONTINUED

RULE 11, AND THE ALTERNATIVES

A common-carrier rate must be reasonable only where the Board has found that the railroad holds market dominance over the transportation to which the rate applies (49 U.S.C. 10701(d)(1); 10707). The Eighth Circuit, reviewing the Board's bottleneck decisions, wrote that the Board "held that bottleneck carriers satisfy their common carrier duties and thus comply with the Act by providing origin-to-destination service that includes the bottleneck … or by providing joint or proportional service with other carriers that includes transportation over the bottleneck" (MidAmerican Energy Co. v. STB, 169 F.3d 1099, 1105 (8th Cir. 1999), reviewing Central Power & Light Co. v. Southern Pac. Transp. Co., 1 S.T.B. 1059 (1996), and the clarification at 2 S.T.B. 235 (1997)). The court then set out two avenues of recourse. "First, bottleneck shippers may obtain contracts for service over the competitive segments of rail. … Once a contract is secured, the bottleneck carrier will be required to provide local service over the bottleneck in light of its common carrier obligations. … Because such service will be actually 'held out' to bottleneck shippers, the Board will be required to review the bottleneck rate for reasonableness." (Id. at 1107-08, citing Bottleneck I, 1996 STB LEXIS 358, at *30-31*, and Bottleneck II, 1997 STB LEXIS 91, at *22.) "Second, if the utilities can adequately demonstrate an absence of effective competition over the entire origin-to-destination route, they may challenge the origin-to-destination rate provided by the carrier." (Id. at 1108, citing Bottleneck I at 38-39 and Bottleneck II at 9.) The Board itself restated the first of those grounds the day the clarification issued: when the non-bottleneck segment of a through route is covered by a rail transportation contract, the rate covering the bottleneck segment may be challenged separately (Board press release No. 97-43, 29 MAY 1997). We could not confirm those holdings in the Board's own reporter volumes: 1 S.T.B. 1059 and 2 S.T.B. 235 are image scans without a text layer, and we could not read them as text. Our reading is taken from the Eighth Circuit's opinion in MidAmerican Energy Co. v. STB, cited above, which reviewed those decisions. If you need this point read against your own move, write to us; that help is part of the paid work.

Section 10705(b) requires the Board to prescribe the division of joint rates when that division violates 10701. The statute's words reach "the division of joint rates established by the participating carriers under section 10703." We could not confirm whether 10705(b) reaches a Rule 11 factor: no decision of the Board or of a court, in the decisions read for this edition, holds that it does, or that it does not. Our reading is that it does not, because a Rule 11 factor is each carrier's own rate for its own part, not a division of a joint rate. The short line's remedy, if its factor is a common-carrier rate, runs to that rate; the connecting railroad's factor is its own. If you need this point read against your own move, write to us; that help is part of the paid work.

§ 11 ONE THROUGH BILL, MORE THAN ONE BILL TO PAY · CONTINUED

RULE 11, AND THE ALTERNATIVES

For the shipper, Rule 11 can be the way to a confidential price, or to a bill-to arrangement a through rate will not give him, and it lets him sit with each railroad on that railroad's factor. It also gives him several invoices to reconcile, and a rate case that, under the Board's decisions just cited, may still have to be brought against the origin-to-destination combination rather than against one factor alone, unless a contract covers the other segment.

For the short line, Rule 11 is the way to a rate it sets and collects, read against its own cost, without waiting on a division of a through rate the connecting railroad quoted. It is also the way to a collection file and a waybill discipline the short line has to run itself. A division of a joint rate can be taken to the Board under 10705(b) when that division violates 10701. As set out above, we could not confirm that the same provision reaches a Rule 11 factor; our reading is that it does not.

Write down, for each interline move, whether the short line is paid a division of a through rate or is paid its own rate under Rule 11. The rest of the conversation starts from that fact.

§ 12 THE INSTRUMENT, THEN THE CONVERSATION

ESTABLISHING THE TARIFF, AND THE TABLE

A railroad providing transportation subject to the Board's jurisdiction shall establish rates, classifications, rules and practices (49 U.S.C. 10702). That is the duty. The instrument it uses — a tariff, a contract, or the rules that remain on exempt traffic — decides who is owed notice, what can be taken to the Board, and what can be taken only to a court. Question 03 already asks which of the three governs each move. This section is about how the instrument is put in place, and how the conversation that produces it is run.

§ 12 THE INSTRUMENT, THEN THE CONVERSATION · CONTINUED

ESTABLISHING THE TARIFF, AND THE TABLE

A common-carrier rate, and the service terms that travel with it, must be given on request, and a common-carrier rate cannot rise, nor its service terms change other than by a change equivalent to a rate reduction, until 20 days after written or electronic notice to anyone who formally asked for it, or arranged a future shipment under it, in the past 12 months (49 U.S.C. 11101(b), (c); 49 CFR 1300.2, 1300.4). A formal request for an existing rate is answered immediately, which the Board reads as within hours, or by the next business day in most situations (1300.2(b)). A new rate is set no later than ten business days, or ten business days from any further information the railroad asks for, unless the parties agree otherwise (1300.3). The notice of a change "must clearly identify the increases in rates or charges or the changes in service terms" (1300.4(d)). **A rate that lives only in a quote, or in an email, is not yet a tariff, and the clocks do not run on it.**

A contract under 49 U.S.C. 10709 sits outside those rules, all but the summary and review of agricultural contracts, and is enforced in court (10709(b), (c); 49 CFR 1300.1(c)). It can be the better instrument when the move needs a window, a volume, a Rule 11 factor, or a service the tariff will not hold. It can also be the worse one, when what was traded away is remembered only after the term begins. The Captive Shipper (Door 4) reads the contract from the shipper's side. Write the contract so both sides can find the rate, the service, the term and the way out, without calling the person who negotiated it.

Exempt traffic, boxcar traffic among it, sits outside the notice rules, save the matters the Board kept (49 CFR 1300.1(d); 1039.10, 1039.11, 1039.13, 1039.14). The exemption does not write the rate for you. It only changes which clocks apply.

The table is where the instrument is made. Who belongs at it, for each move, is already question 09 in § 04: the customer, the short line, the connecting railroad, and the public owner where there is one. Before anyone talks, have in writing: the cost of the move and the track (railroad questions 01 and 02); the customer's next best way, landed (railroad question 02, customer question 04); whether the short line is paid a division or a Rule 11 factor (§ 11); which instrument will hold the rate; and what service the rate buys. The Book of Business (Door 20) tells you which accounts are worth the conversation. **A table sat without those pages is a conversation about a number, and the number will be the only thing anyone remembers.**

What either side could prove if the rate is wrong is already question 07. The same records carry a negotiation, which is where the work starts. If the rate cannot be brought inside the band, walk away from that instrument and say so in writing. A rate that sits below the floor wears out the line. A rate that sits above the ceiling sends the car to the highway. Neither is a bargain that lasts.

THE RECORD 49 U.S.C. 11101(b) · 49 CFR 1300.2 · 1300.4 · 1300.2(b) · 1300.3 · 1300.4(d) · 49 U.S.C. 10709 · 49 CFR 1300.1(c) · 1300.1(d) · 1039.10 · 1039.11 · 1039.13 · 1039.14

§ 13 PRINT IT, FILL IT, NAME THE OFFICER AND THE DATE

THE RATE, MOVE BY MOVE

Answers held in somebody's head are not answers, and in this subject they tend to sit with whoever priced the move last. *Write each one down with its source and date it.*

	THE ITEM	SOURCE	THE ANSWER, IN WRITING	CHECKED BY · DATE
01	Last year's moves — origin, destination, route, carloads			
02	The cost per car of each move, with the track under it			
03	The customer's next best way for each move, landed			
04	The rate for each move, all in, per car			
05	Tariff, contract or exempt; the formal requests on file			
06	The short line's share of each through rate — how set, when last read			
07	Limits on interchange in the lease or the sale			
08	The service each rate buys, in writing			
09	Who belongs at the table for each move			
10	The finding — which moves sit outside the band, and on which side			
11	For each interline move: Rule 11 or through; who bills; who pays			
12	The instrument for each move — tariff published, contract written, or still only a quote — and who sat at the table			

THE RECORD 49 CFR Part 1300 · 49 CFR Part 1039 · 49 CFR Part 1150 · 49 CFR Part 1313 · 49 CFR Part 1144 · 49 U.S.C. 10701 · 49 U.S.C. 10704 · 49 U.S.C. 10707 · and 6 more on the pages that read them

§ 13 PRINT IT, FILL IT, NAME THE OFFICER AND THE DATE · CONTINUED

THE RATE, MOVE BY MOVE

Answered from our own records, of your seven in § 02: held in writing ____ · known but not written ____ · not held ____

run by _____ · date _____ · signed _____

ROW 02 IS THE ONE THAT DECIDES THE OTHERS

Every other row describes the rate; row 02 says whether it can last. *Row 06 is the one nobody has read since the day it was set.* A share read against nothing has already been agreed to. Row 11 is the fact the rest of an interline conversation starts from.

THE BAND · ONE ROW PER MOVE

MOVE	CARLOADS	COST PER CAR	TRACK PER CAR	NEXT BEST WAY, LANDED	RATE PER CAR	INSIDE THE BAND?

The count: the moves inside the band, out of all of them. The ones outside, and on which side, are the agenda for the table.

THE RECORD 49 CFR Part 1300 · 49 CFR Part 1039 · 49 CFR Part 1150 · 49 CFR Part 1313 · 49 CFR Part 1144 · 49 U.S.C. 10701 · 49 U.S.C. 10704 · 49 U.S.C. 10707 · and 6 more on the pages that read them

§ 14 EVERY ONE OF THEM A TIME SOMEBODY CAN CHECK

THE RATE'S CLOCKS

THE ACT	THE CLOCK	THE RULE
Rates and service terms, on a formal request	Immediately: within hours, or by the next business day in most situations	49 CFR 1300.2(b)
A new rate, on request	No later than 10 business days, or 10 business days from any further information the railroad asks for, unless the parties agree otherwise	49 CFR 1300.3
A common carrier rate raised, or a service term changed (other than a change equivalent to a rate reduction)	20 days after written or electronic notice to those owed it	49 U.S.C. 11101(c); 49 CFR 1300.4(a)
A formal request, for notice	Counts for the 12 months after it is made	49 CFR 1300.4(a)(1)
A notice sent by mail	Provided on the date it is postmarked	49 CFR 1300.4(c)
The summary of an agricultural contract	Filed with the Board no more than 7 days after the date of the contract	49 CFR 1313.4(a)(1)
A complaint against an agricultural contract	Filed by the 18th day after its summary is filed, on the grounds the rule lists, which do not include the level of the rate	49 CFR 1313.10(a)(1); 49 CFR 1313.9
Review of an agricultural contract, on complaint	The Board may begin it no later than 30 days after the summary is filed, and decides within 30 days after it begins	49 U.S.C. 10709(g)(1), (3)(A)
A decision on a rate's reasonableness	Within 9 months after the record closes on stand-alone cost, 6 months on a simplified method	49 U.S.C. 10704(c)
Credit miles assigned to a shipper or supplier	Once in the railroad's taxable year, treated as made at its close	26 U.S.C. 45G(b)(2)(A)
Your own: the cost per car, refreshed	Once a year at least, from your books	Yours
Your own: a share of a through rate, last read	Years, from the division sheet	Yours
Your own: a customer's ceiling, last asked	Months, from your file	Yours
A challenge to a Rule 11 parent waybill in the Interline Settlement System	A five-day waiting period	Freight Mandatory Rule 64(B)(1)
A settled Rule 11 waybill resubmitted as a through waybill	Only if no funds have transferred, and the through waybill must reference the prior identification number	Freight Mandatory Rule 160

THE RECORD 49 CFR 1300.2(b) · 1300.3 · 49 U.S.C. 11101(c) · 49 CFR 1300.4(a) · 1300.4(a)(1) · 1300.4(c) · 1313.4(a)(1) · 1313.10(a)(1) · 1313.9 · 49 U.S.C. 10709(g)(1) · 10704(c) · 26 U.S.C. 45G(b)(2)

§ 15 THE CLOSE, AND HOW TO REACH US

WHAT THIS ADDS UP TO

A rate nobody has set against its cost and its alternative will look too high to the customer and too low to the railroad. *Both may be right, and neither can show it.*

Every rate is set by someone: the short line on its own part, under Rule 11 or as a division, the connection on the through rate, the two parties on a contract. **Nobody else draws the band.** A rate read against its floor and its ceiling is the one record in the matter that neither side wrote alone, and the next conversation about the rate starts from it.

If you run all twelve rows and the rate holds, you have a page you can hand to your customer, your connection, your owner or your lender. **That is worth the afternoon by itself**, and it is the outcome we would rather you reach without us.

It is done on the day both sides can see the band, and the rate sits inside it.

STEELWHEELS.CO · POINT OF CONTACT

Where the Wheels meet the Steel

Write and say what you found, or call 928.605.7984 and say it. Not an impression: your score, and the move whose rate sat outside the band. That move is the finding. You will have a reply within one business day, from the principal and not from a form. Writing puts you on no list. *If what comes back says you have no problem, you will be told so, in so many words.* What comes back sets the next stage, or the work stops there.

solutions@steelwheels.co · **928.605.7984** · **steelwheels.co** · Flagstaff, Arizona · For circulation inside your own operation.

FIND IT. NAME IT. DISSOLVE IT. · READ ON THE BALLAST, NOT THE CHART.

THE RECORD 49 CFR Part 1300 · 49 CFR Part 1039 · 49 CFR Part 1150 · 49 CFR Part 1313 · 49 CFR Part 1144 · 49 U.S.C. 10701 · 49 U.S.C. 10704 · 49 U.S.C. 10707 · and 6 more on the pages that read them

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