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EXPOSURE READ 28

THE ACCOUNT

Seven questions for the short-line or regional railroad that has to keep, grow and price the business that pays.

07

QUESTIONS

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

07

THE ACCOUNT WORKSHEET

One sheet a book, filled from your own records and dated.

THE NUMBER NOBODY COMPUTES

Which accounts still pay once the move and the track are costed. § 03

ISSUED BY

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§ 01 A NAME ON THE BOOK IS NOT A RESULT

WHY THIS EXISTS

You came here to keep, grow and attract business, and to set a rate you can defend. Under that is a quieter question: which of the names you already have are worth the work they take.

A short line can spend a year protecting a busy account and still lose money on every switch it makes for that account. The volume looks like health. The costed move does not. *The book does not tell you this by itself. The rate book does not either.* Door 20 will give you the names, the ones who left and the ones within reach of the line. Door 21 will give you the band, the instrument and the division. This Read takes one name at a time, costs the move and the track under it, and asks what tariff or contract would keep that name on terms that pay.

Both are already in your records. They have not been read that way.

The finding is the account that looks essential and does not pay, and the account that would pay if it were held on the right instrument.

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

THE SEVEN

	THE QUESTION	WHAT YOU ARE LOOKING FOR, AND WHAT A BAD ANSWER MEANS
01	Which accounts, once the move and the track are costed, actually pay?	Take each name. Time the switch. Price the haul to the interchange, the track under the move, and the accessorials that travel with it. Subtract that from what you keep after the division. **If the remainder is nothing or less, the account is a cost center with a customer's name on it.** A list of names is Door 20. This is the costed list.
02	Which traffic do you keep or grow, and which do you stop chasing?	Rank the costed book. Some accounts should be grown. Some should be held as they are. Some should be released or repriced, and a volume target is not a reason to keep doing the ones that lose money. **Chasing volume you have already costed as a loss is not a commercial program.**
03	How is a new account found and qualified so it arrives profitable?	Door 20 will tell you who to call, including the ones who left. This question asks what you know about the move before the first one is made: the commodity, the origin and destination, the switch, the interchange, the days the car will stand, and the rate that would cover it. **A prospect costed after the first move is a prospect costed too late.**
04	Were you at the table before the site, the siding or the transload was chosen?	Industrial development sets the rate in the ground. In our field experience, a site chosen without the railroad in the room arrives with a siding nobody can switch at a cost the rate cannot carry, or with a transload that is already spoken for. Door 20 touches the call. This Read asks whether you were present before the foundation went in. **Once the site is poured, the move is priced against you.**

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

THE SEVEN

	THE QUESTION	WHAT YOU ARE LOOKING FOR, AND WHAT A BAD ANSWER MEANS
05	When do you publish a tariff, when do you write a 10709 contract, and who is owed notice before a rate moves?	A common-carrier rate is established and disclosed under 49 U.S.C. 10702 and 11101, and under 49 CFR Part 1300. A rail transportation contract under 49 U.S.C. 10709 sits outside Board regulation of the rate, except as the statute keeps. Twenty days' notice is owed before a common-carrier rate or charge goes up or a service term changes, to anyone who formally asked for those rates or terms, or arranged a future shipment under them, in the previous 12 months (49 U.S.C. 11101(c); 49 CFR 1300.4(a)). **The instrument you choose is the one you will have to defend, and the notice you miss is a rate you cannot yet collect.**
06	How is your interline share set, and when is it reopened?	Door 21 reads the division and Rule 11 as they stand. This Read asks how the short line's share was set, whether it was ever reopened, and what the costed move says it should be. A through rate that looks whole can still leave you unpaid for the switch you actually perform. 49 U.S.C. 10705 is the statute on divisions. **A share that has not been opened since the account arrived is a share set for a different railroad than the one you run today.**
07	Are surcharges and accessorials, including demurrage, part of the rate, or added after it?	Fuel, heavy-haul, storage and demurrage (49 CFR Part 1333) belong in the conversation that sets the rate, not in a letter that follows it. A competitive quote with a surcharge behind it is not the quote the customer accepted. Door 27 treats demurrage at a plant making its first move. Here the question is whether your own accounts were priced as a whole. **If the accessorial is how the move actually pays, it is not an extra. It is the rate, and it should have been on the page.**

Seven answered from your own records is a score. The ones you cannot answer are the finding.

THE RECORD 49 U.S.C. 10702 · 11101 · 49 CFR Part 1300 · 49 U.S.C. 10709 · 11101(c) · 49 CFR 1300.4(a) · 49 U.S.C. 10705 · 49 CFR Part 1333 · eCFR read 22 NOV 2026 · U.S. Code read 22 NOV 2026

§ 02 THE SEVEN · QUESTION 05, CONTINUED

WHAT THE RATE RULES ASK OF THE RAILROAD

Question 05 asks who is owed notice. *Part 1300 also sets what the railroad owes when it is asked.*

I. ASKED FOR AN EXISTING RATE

A rail carrier must disclose to any person, upon formal request, the specific rate requested, or the basis for calculating it, and all charges and service terms that may apply. The information is provided immediately; the rule expects a reply "within hours, or at least by the next business day, in most situations." A formal request is one that tells the railroad the requester also wants notice of any future increase or change in service terms (49 CFR 1300.2(a), (b)).

II. ASKED FOR A RATE THAT DOES NOT EXIST

Where a shipper or prospective shipper asks for a rate where none exists, the carrier must promptly establish and provide a rate and its service terms, as soon as reasonably possible and no later than 10 business days from receipt of the request (49 CFR 1300.3).

III. THE NOTICE ITSELF

The 20-day notice may be written or electronic as the parties agree, a mailed notice is provided on the date it is postmarked, and the notice must clearly identify the increases in rates or charges or the changes in service terms (49 CFR 1300.4(b), (c), (d)).

Our reading: keep a list of every formal request and every arranged shipment for the last 12 months. That list is who gets the notice.

THE RECORD 49 CFR 1300.2(a), (b) · 1300.3 · 1300.4(b), (c), (d)

§ 02 THE SEVEN · QUESTIONS 05 AND 06, CONTINUED

THE CONTRACT, THE DIVISION AND RULE 11

Questions 05 and 06 ask which instrument and which share. *The statutes and the accounting rule set the edges.*

I. WHAT A 10709 CONTRACT DOES AND DOES NOT REACH

A party to a 10709 contract has "no duty in connection with services provided under such contract other than those duties specified by the terms of the contract" (49 U.S.C. 10709(b)). The exclusive remedy for an alleged breach is an action in an appropriate State court or United States district court, unless the parties otherwise agree (10709(c)(2)). A carrier that signs one "remains subject to the common carrier obligation set forth in section 11101, with respect to rail transportation not provided under such a contract" (10709(f)).

II. DIVISIONS

A carrier shall establish reasonable rates, divisions of joint rates and classifications (49 U.S.C. 10702(1)), and the Board may prescribe the division of joint rates when it considers it desirable in the public interest (49 U.S.C. 10705(a)(1)).

III. RULE 11

AAR's Railway Accounting Rules: "Freight Mandatory Rule 11 is intended for use by the rail industry to protect confidential prices and/or meet customer requirements by providing multiple freight bills on shipments covered by a through Bill of Lading."

Our reading: under Rule 11 the short line's bill is its own. Cost it as its own, and know which of your accounts move that way.

§ 03 THE UNCOSTED BOOK IS THE ONE YOU DEFEND IN THE DARK

WHAT A MISSING ANSWER COSTS

An account you have not costed is an account you will protect as if it were profitable, because the volume is visible and the loss is not. You will send a crew, hold a car, make the interchange and call it service, and the year will close on a book that looked full.

A rate you cannot defend is a rate you will cut, because the customer asked and you had no costed move to sit behind. A 10709 contract written without the costed move is a term you will live with for the life of the paper. A published rate raised without the notice the statute requires is a rate you may not yet collect.

The cost of a missing answer is not a study delayed. It is a year of work done for accounts that did not pay, on terms you would not have offered if you had known.

§ 04 A COSTED BOOK IS A COMMERCIAL POSITION

WHAT TO DO WITH THE ANSWERS

Run the seven on your own records. Cost the move and the track under each name. Rank what remains. Then decide, name by name, whether the account is held, grown, repriced or released, and on which instrument.

Where the answer is a tariff, publish it and give the notice the statute requires. Where the answer is a 10709 contract, write the term against the costed move, not against last year's volume. Where the share is wrong, reopen it with the costed move in your hand. Where the accessorial is how the move pays, put it on the page that sets the rate.

Door 21 prepares the position on the rate itself. This Read tells you which accounts that position is for.

§ 05 THE ACCOUNT THAT DOES NOT PAY IS STILL A DECISION

IF THE ANSWER WAS NO

If the costed move does not pay, that is not yet a reason to close the door on the customer. It is a reason to change the terms, change the work, or stop chasing that traffic and say so. A released account, released on purpose, is a commercial decision. An account kept at a loss because nobody costed it is not.

Some accounts will pay if the switch is redesigned, if the siding is used differently, or if the division is reopened. Some will not. *The work of this Read is to tell those two apart in writing, so the decision is made with your eyes open.*

If you run all seven and the book holds up, you have a commercial position you can hand to a board, a lender or a connecting carrier. **That is worth the afternoon by itself**, and it is the outcome we would rather you reach without us.

§ 06 THE BOOK IS NOT ONLY THE COMMERCIAL OFFICER'S

WHO ELSE SHOULD RUN THESE

The general manager who answers for the book. The commercial officer who calls the accounts. The operating officer who knows what the switch actually takes. The track officer who knows what the move does to the railroad. A rate clerk can produce the paper. *The seven are not a rate clerk's exercise.* They are a read of the business as it is run.

A shipper's side of a rate conversation sits in Door 04, and in the customer half of Door 21. A plant making its first move sits in Door 27. This Read is written for the railroad.

§ 06 WHO ELSE SHOULD RUN THESE · THE SEAMS

WHERE THE ACCOUNT FALLS BETWEEN PARTIES

Each party holds a piece of the account. *The gaps sit in the seams between them.*

Each party keeps its own record of the account and assumes another keeps the whole. Seven seams recur. Each one joins a question already in this Read.

	THE SEAM	WHERE IT IS READ HERE
01	The commercial officer and the operating officer. One prices the account; the other knows what the switch takes.	Question 01 · § 06
02	The short line and the connecting carrier. One performs the switch; the other holds the through rate.	Question 06
03	The railroad and the site developer. One will serve the siding; the other chose where it went.	Question 04
04	The railroad and the customer under contract. One wrote the term; the other holds it to the letter.	Question 05 · § 07
05	The rate clerk and the general manager. One keeps the paper; the other answers for the book.	§ 06
06	The track officer and the commercial officer. One knows what the move does to the railroad; the other prices without it.	Question 01 · § 06
07	The railroad and the shipper on demurrage. One wrote the tariff; the other has to have had actual notice of it (49 CFR 1333.3(a)).	Question 07

THE RECORD 49 CFR 1333.3(a)

§ 07 WHAT THE COSTED MOVE DOES TO THE CONVERSATION

ONE ACCOUNT, AND THE TABLE

ONE ACCOUNT, FROM THE BOOK

Take a name that has been on the book for years, ships often enough to feel essential, and has never been costed against the switch it actually takes. Time that switch. Add the haul to the interchange, the days the car stands, the track under the move and the share you actually keep. Put the remainder next to what everyone at the railroad believes the account is worth.

If the remainder is thin or gone, the next conversation with that customer is not a volume conversation. It is a terms conversation: a different rate, a different instrument, a different division, or a polite release. *The finding is not that the customer is a poor one. The finding is that the railroad has been pricing a different move than the one it performs.*

WHO SITS AT THE TABLE, AND WHAT IS IN WRITING FIRST

Before anyone talks, the costed move is on one page: the work, the share, the instrument, the notice that is owed, and the accessorials that travel with the rate. A 10709 contract can hold a rate and a volume. It cannot rewrite the common-carrier obligation for traffic not under it, and it cannot make an uncosted move pay. When the figures will not support the term the customer wants, the work is to walk away or to offer a different term, not to sign and hope the next year is kinder.

The table is not where the costing is done. The costing is done first, or the table will do it for you.

§ 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	Your own book, waybills, tariffs, contracts and division sheets, account by account, before anyone is called, and then the move as it is actually made.
What we test	Each name against the costed move and the track under it: which accounts pay, which to grow or release, whether a new account would arrive profitable, whether you were at the table before the site was chosen, which instrument holds the rate, whether your share is the right one, and whether the accessorials were part of the rate or added after it.
What we cut	Whatever the records already settle. An account that holds up is closed in a line, and the time goes to the ones the figures will not carry.
What you get	A costed book, name by name; a recommendation on each account — hold, grow, reprice or release — with the instrument and the notice that goes with it; and an honest read on whether the commercial program you are running is the one the figures support. Yours to keep.

WHAT ARRIVES	WHAT IT IS, AND WHAT IT IS NOT
Your book, costed against the seven	Every account the records will support, with the remainder after the move and the track, and every account the records will not answer, named as such. **The ones the records will not answer are the finding**, and they are set down in writing so that nobody has to take them on anyone's word.
A position on each account	Hold, grow, reprice or release, with the tariff or the 10709 term that would carry it, and the notice owed before a rate moves. Written so a general manager can carry it upstairs without rewriting it.
A share that can be reopened	Where the division or the Rule 11 fact pattern does not pay for the work you actually do, the figures to take back to the connecting carrier. Door 21 reads the share; this Read costs it.

§ 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
An honest read on the book	Whether the commercial program, as run, produces accounts that pay. **Including the answer you would rather not have**, which is the only reason the answer is worth anything.
And what it is not	This is not legal advice and it does not replace counsel. It establishes what the book costs and what would hold each account — the facts your counsel needs in order to advise you at all. It is not a rewrite of Door 20 or Door 21.

WHAT YOU CAN HOLD US TO	WHAT IT MEANS ON YOUR RAILROAD
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 team can test it.
The direct answer	When the book 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.

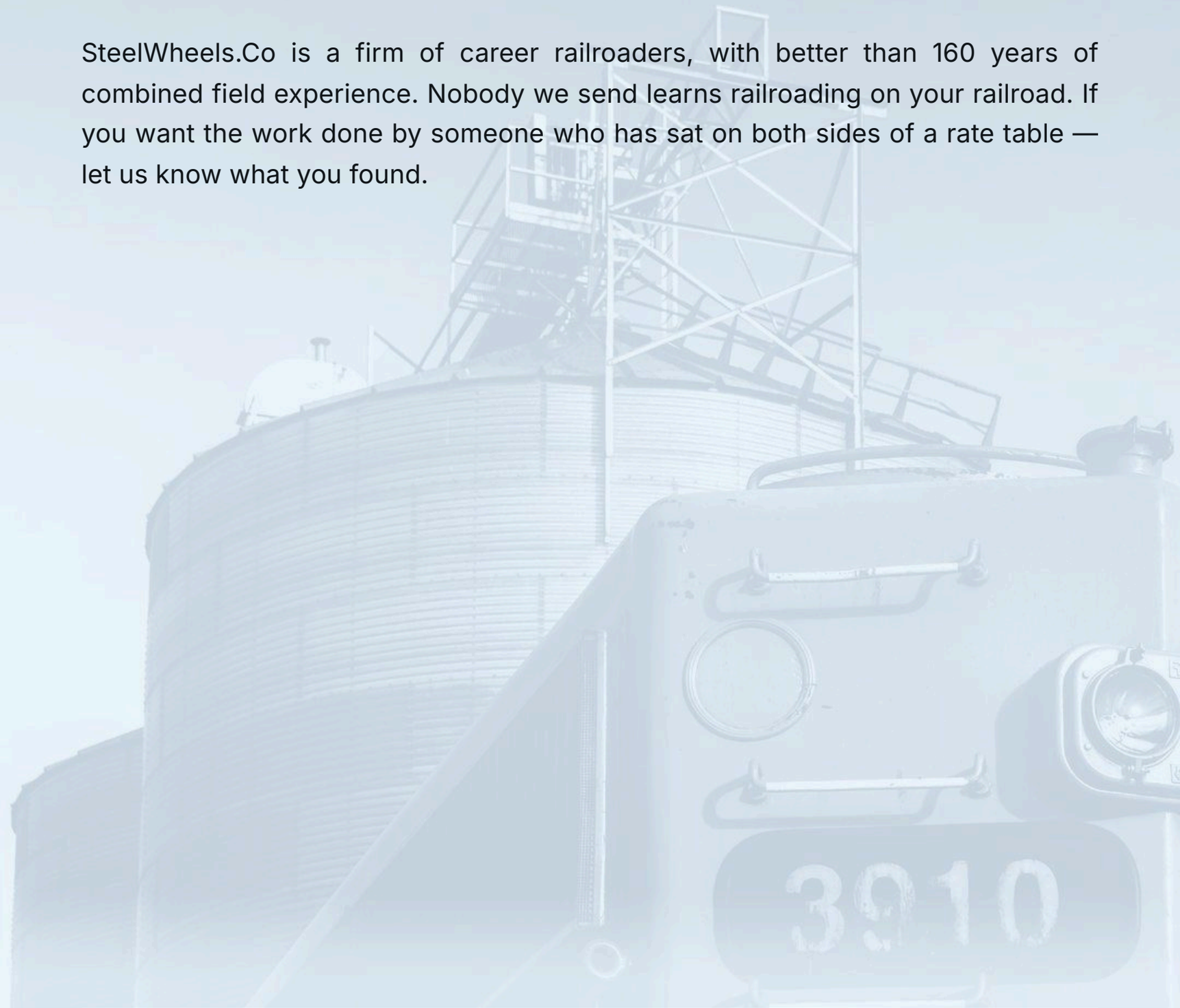
THE RECORD 49 U.S.C. 10702, 10705, 10709 and 11101 · 49 CFR Parts 1300 and 1333

§ 09 THE QUESTIONS ARE THE TEST OF THE FIRM

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.

SteelWheels.Co is a firm of career railroaders, with better than 160 years of combined field experience. Nobody we send learns railroading on your railroad. If you want the work done by someone who has sat on both sides of a rate table — let us know what you found.



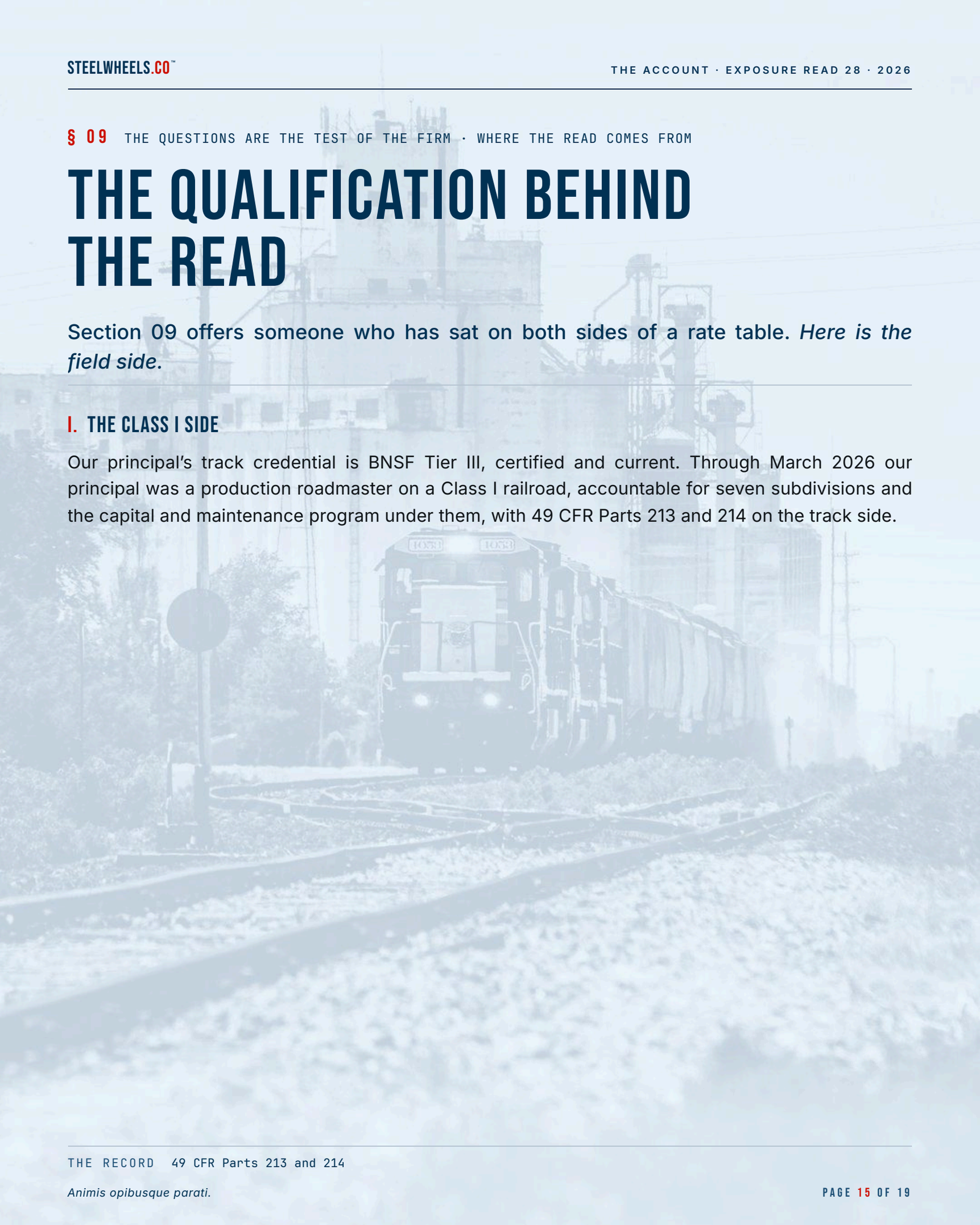
§ 09 THE QUESTIONS ARE THE TEST OF THE FIRM · WHERE THE READ COMES FROM

THE QUALIFICATION BEHIND THE READ

Section 09 offers someone who has sat on both sides of a rate table. *Here is the field side.*

I. THE CLASS I SIDE

Our principal's track credential is BNSF Tier III, certified and current. Through March 2026 our principal was a production roadmaster on a Class I railroad, accountable for seven subdivisions and the capital and maintenance program under them, with 49 CFR Parts 213 and 214 on the track side.



§ 10 SO THE SEVEN ARE READ THE SAME WAY

THE WORDS, DEFINED

TERM	WHAT IT MEANS IN THIS READ
Account	A named piece of business on your book — a customer, a move, a commodity — that has to pay once it is costed. Not merely a line on a traffic report.
Costed move	The switch, the haul, the track under the traffic, the days a car stands, the accessorials that travel with it, and the share you keep, set against what you collect.
Tariff	A common-carrier rate, classification, rule or practice established under 49 U.S.C. 10702 and disclosed under 49 U.S.C. 11101 and 49 CFR Part 1300.
10709 contract	A rail transportation contract under 49 U.S.C. 10709. The rate under it is not regulated by the Board, except as the statute keeps.
Division	The split of a through rate among the carriers that perform the move (49 U.S.C. 10705).
Rule 11	The industry practice under which each carrier bills its own factor on an interline move, rather than one carrier billing a through rate and dividing it. Named here as it is named in Door 21.
Demurrage	Charges for the detention of a rail car, governed at the federal level by 49 CFR Part 1333. Treated in this Read as part of the rate conversation, not as an afterthought. Door 27 treats it at a plant making its first move.
Notice	The twenty days a common carrier owes before raising a rate or charge or changing a service term, to anyone who formally asked for those rates or terms, or arranged a future shipment under them, in the previous 12 months (49 U.S.C. 11101(c); 49 CFR 1300.4(a)).

THE RECORD 49 U.S.C. 10702 · 11101 · 49 CFR Part 1300 · 49 U.S.C. 10709 · 10705 · 49 CFR Part 1333 · 49 U.S.C. 11101(c) · 49 CFR 1300.4(a) · eCFR read 22 NOV 2026 · U.S. Code read 22 NOV 2026

§ 10 SO THE SEVEN ARE READ THE SAME WAY · CONTINUED

THE TERMS BEHIND THE ADDED PAGES

Six terms, used on the proposed pages of this edition.

TERM	WHAT IT MEANS IN THIS READ
Formal request	A request for a rate that tells the railroad the requester also wants notice of any future increase or change in service terms (49 CFR 1300.2(a)). It is what puts a name on the notice list (1300.4(a)(1)).
New-rate request	A request for a rate where none exists. The carrier answers with a rate and service terms within 10 business days (49 CFR 1300.3).
Joint rate	A single rate over a through route of more than one carrier. How it is divided among them is what the Board may prescribe (49 U.S.C. 10705(a)(1)).
Common carrier obligation	The duty to provide transportation on reasonable request (49 U.S.C. 11101). It stays with the carrier for traffic not under a 10709 contract (10709(f)).
Exclusive remedy	For a 10709 contract, an action for breach in a State court or United States district court, unless the parties otherwise agree (49 U.S.C. 10709(c)(2)).
Actual notice	Notice of the demurrage tariff, given before the cars are placed, that a person must have had to be held liable under it (49 CFR 1333.3(a)).

§ 11 ONE SHEET A BOOK, FILLED FROM YOUR OWN RECORDS AND DATED

THE ACCOUNT WORKSHEET

	WHAT YOU WRITE DOWN	HELD IN WRITING	KNOWN, NOT WRITTEN	NOT HELD
01	Each account, with the remainder after the move and the track are costed			
02	Which accounts you will grow, hold, reprice or release, and why			
03	For each prospect, the costed move written before the first one is made			
04	For each new site, siding or transload, whether you were at the table before it was chosen			
05	For each account, the instrument it moves under, and the notice owed if the rate changes			
06	Your share of each interline move, and the date it was last opened			
07	Every surcharge and accessorial, including demurrage, and whether it was on the page that set the rate			

Score: _____ held in writing _____ known, not written _____ not held. The ones not held are the finding.

Walked by: _____ Date: _____ Signed: _____

§ 12 THE CLOSE, AND HOW TO REACH US

WHAT THIS ADDS UP TO

Seven questions, one afternoon, and a book you already keep. *They establish which accounts still pay once the move and the track are costed, and what tariff or contract would keep each one on the railroad.*

If you run all seven and the book holds up, you have a commercial position you can hand to a board or a connecting carrier. **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 each account is held on terms that pay, released, or priced as a choice you made with your eyes open.

STEELWHEELS.CO · POINT OF CONTACT

Where the Wheels meet the Steel

Not an impression — what the seven returned on your own book: your score, and the account you could not cost, or could cost and could not defend. That one is the finding. It is worth more than anything this firm could tell you before seeing it, and, in our field experience, on most railroads it is the whole matter. 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.*

Let us know what you found, and we will take it from there.

SteelWheels.Co · 928.605.7984 · solutions@steelwheels.co

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