
Central Maine & Quebec Railway

Amendment 1

CONDITIONS OF CARRIAGE

TERMS AND CONDITIONS

FOR

RAIL TRANSPORTATION OF COMMODITIES

VIA

Central Maine & Quebec Railway

ISSUED: 9/19/2016

EFFECTIVE: 11/1/2016

ISSUED BY:
Central Maine & Quebec Railway
700 Main St, Suite 3
Bangor, ME 04401

RULES

RULE 270 – FUEL SURCHARGE: RAIL MILEAGE BASED/HIGHWAY DIESEL FUEL

APPLICATION: Unless otherwise agreed to in writing this publication applies to: (1) all common carrier line haul freight rates for traffic originated on CMQ which exists or is established by CMQ on or after May 16, 2014.

In the event that the monthly average price per gallon of highway diesel fuel (as determined below, the (“HDF Average Price”) exceeds a base price of 259.9 cents, CMQ will apply a mileage-based fuel surcharge to the line haul rates and charges described above.

The “HDF Average Price” for a month will be the average price for that month of U.S. No. 2 Diesel Retail Sales by New England Sellers, as determined and published by the U.S. Department of Energy, Energy Information Administration (“DOE-EIA”)¹. That average price will, in calculating the HDF Average Price, be rounded to the nearest 1/10th of a cent applying conventional rounding principles. The fuel surcharge will be 1.8 cents per mile for every 4 cents per gallon, or portion thereof, by which HDF Average Price for the calendar month two months prior to the calendar month of shipment exceeds 259.9 cents. As an example, the fuel surcharge in the month of June will be based on the average monthly price of HDF for the month of April.

If DOE-EIA ceases publication of the above information, CMQ will employ a suitable substitute source of price or measure.

The mileage to be applied in calculating the fuel surcharge will be the rail miles between origin, interchange(s) and destination using third party software PC*Miler/Rail version (ALK Technologies).

The following table reflects a sampling of the fuel surcharge within the included HDF Average Price ranges.

(Continued on the following page)

¹ The referenced DOE-EIA publication can currently be found at www.eia.doe.gov. On the home page select “Petroleum;” under “prices” select “Weekly Retail Gasoline and Diesel Prices;” for the “Area” select “New England”; for the “Period” select “Monthly;” then refer to the data on the entitled “Diesel (On-Highway).” Monthly data is normally published Wednesday after the last Monday of a given month.

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RULES

(Rule 270 - Continued)

Prior Time Period New England Average Price of On-Highway Diesel Fuel	Applicable Fuel Surcharge in Cents Per Rail Mile
260.0 – 263.9	1.8
264.0 – 267.9	3.6
268.0 – 271.9	5.4
272.0 – 275.9	7.2
276.0 – 279.9	9.0
280.0 – 283.9	10.8
284.0 – 287.9	12.6
288.0 – 291.9	14.4
292.0 – 295.9	16.2
296.0 – 299.9	18.0
300.0 – 303.9	19.8
304.0 – 307.9	21.6
308.0 – 311.9	23.4
312.0 – 315.9	25.2
For each 4 cents per gallon increase or portion thereof:	Apply an additional 1.8 cents per mile.

EXAMPLE:

1. The Fuel Surcharge rate will be recalculated for each subsequent calendar month, as outlined above.
2. Any Fuel Surcharge to be applied under this authority will be removed or reduced when the "HDF Average Price" remains below the price which triggers a specific surcharge amount for the prior time period. In no case will the freight charge be reduced below the Base Price nor will the application or removal of the Fuel Surcharge be retroactive.

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