

**AGREEMENT TO ADMINISTER ALTERNATIVE
DISPUTE RESOLUTION
OF RAIL GRAIN RATE DISPUTES**

THIS AGREEMENT TO ADMINISTER ALTERNATIVE DISPUTE RESOLUTION (the "Agreement to Administer ADR"), dated as of January 30, 2009, is entered into by and among (i) BNSF RAILWAY COMPANY, a Delaware corporation (hereinafter referred to as BNSF), and (ii) Montana Grain Growers Association, Great Falls, Montana, and (iii) the Montana Farm Bureau Federation, Bozeman, Montana (hereinafter referred to each as Producer Organization(s) or "*PROORG(s)*"), non-profit trade associations.

WHEREAS BNSF Railway has publicly held itself out as willing to have certain disputes involving rates charged for the transportation of grain resolved through mediation and voluntary, binding arbitration, subject to the procedures outlined and incorporated below and in the form attached hereto as Exhibit I (*A form multiparty Producer Organization- Producer- BNSF Agreement For Mediation and Arbitration of Rail Grain Rate Disputes*); and

WHEREAS each Producer Organization is an organization of dues paying members representing Montana wheat and barley producers desiring to support and provide procedures for its members to mediate and when necessary arbitrate disputes involving grain rates between an individual member producer or producers utilizing a specific BNSF rate as defined in Exhibit I ("Referred to individually or collectively herein as Producer or Producers") and BNSF in which a Producer Organization would represent its producer member or members; and

WHEREAS BNSF desires to work with the Producer Organizations to provide processes for ADR for its members involving disputes between BNSF and its producers in the agricultural sector, and each Producer Organization is willing to administer such mediations and arbitrations in the interest of promoting dispute resolution in the agricultural sector for its members in the state of Montana,

NOW, THEREFORE, in consideration of the foregoing and the promises and representations below, the Parties agree as follows:

1. Upon request by BNSF and a Producer, each *PROORG*, upon its determination that the Producer's claim has merit, will represent that Producer in mediation and arbitration proceeding to resolve a Grain Rate Dispute initiated in accordance with the form of Agreement for Mediation and Binding Arbitration of Rail Grain Rate Disputes between a *PROORG* producer member and BNSF attached hereto as Exhibit I.

2. *PROORGs* and BNSF agree to use their best efforts to designate, within 30 days of execution of this Agreement, a list of at least five persons experienced and knowledgeable in agricultural marketing and transportation and qualified to adjudicate a rate dispute who would be available as potential arbitrators of disputes to be mediated or arbitrated pursuant to this Agreement. A potential arbitrator willing to serve shall serve on such panel so long as agreeable to all parties, provided a panelist serving on a pending arbitration cannot be removed from such panel by any Party prior to the completion of such proceeding.

3. Upon the determination of the *PROORG's* steering committee formed pursuant to section 9 that the Producer's claim has merit, either *PROORG* will notify BNSF,

forward the executed Exhibit 1 to BNSF and contact BNSF to expeditiously arrange a conference call to discuss procedures for a face-to-face meeting between representatives of BNSF and the PROORG. In the event more than 2 PROORGs become parties to this Agreement pursuant to section 9, such determination shall be made by a majority of the steering committee representatives. BNSF agrees to meet with a representative of a PROORG designated by the steering committee, and the Producer if it wishes to attend, within 30 days of receipt of such notice, at a mutually convenient location as soon as practicable, and both parties agree to send representatives with the authority to resolve the dispute. Upon the request of either Producer or BNSF, a PROORG shall designate a third individual to act as mediator at such negotiating session, with the parties agreeing to share equally the cost of such mediator.

4. If the mediation is unsuccessful and the parties proceed to arbitration under Exhibit I, or both BNSF and the PROORG(s) agree to waive mediation in accord with Exhibit I, PROORG(s) will represent the Producer in the arbitration proceeding pursuant to Exhibit I held before a panel of three arbitrators drawn from the pool of eligible arbitrators previously designated by BNSF and PROORG(s) under paragraph 2 above. If the parties cannot agree upon three such eligible arbitrators, or insufficient arbitrators are available from such list, PROORG(s) and BNSF shall each nominate one individual for the panel, and those two shall select a third arbitrator by mutual agreement or by each submitting lists of potential arbitrators until a common individual is found on both lists. The arbitration proceeding shall be administered by the JAMS Dispute Resolution organization (www.jamsadr.com), ("JAMS") and conducted by the Panel in accordance with the Arbitration Rules of the National Grain and Feed Association ("NGFA Arbitration Rules") except as augmented or modified by agreement of the Parties or more specifically provided in Exhibit I.

5. The Arbitration Panel will issue a reasoned written decision. The arbitrators' decision shall be enforceable and subject to confirmation in any court of competent jurisdiction and shall be subject to review only on the grounds for vacating an arbitration award set forth in Section 10 of the Federal Arbitration Act, 9 U.S.C. § 10.

6. Unless an alternative body has been mutually agreed upon by PROORG and BNSF, the arbitration proceeding will be administered by JAMS pursuant to the fee schedule of that organization, payable upon initiation of the arbitration proceeding at JAMS by BNSF's filing of the complaint received from a PROORG pursuant to Section 11 a of Exhibit I..

7. Information and evidentiary filings regarding the issues submitted for resolution in any Grain Rate Dispute will be restricted to the members of the Panel selected to arbitrate a given dispute and PROORG(s)' staff personnel who need to have access to such information to represent the Producer(s) in the arbitration. All information related to the dispute will be maintained in confidence by PROORG staff personnel and the Panel during the pendency of the arbitration in accord with the confidentiality provisions of Exhibit I. All hard copy and electronic records containing confidential information will be returned to the disputants or destroyed at the conclusion of the arbitration at the request of the party providing such information.

8. This Agreement to Administer ADR shall remain in effect for a period of two (2) years from execution. Its term will thereafter automatically be renewed for subsequent two (2) year extended terms unless written notice has been given by any Party to the others 90 days before the end of the primary term or any extended term of that Party's desire to terminate the Agreement to Administer ADR upon the expiration of that term;

provided, however, this Agreement will remain in effect to complete the handling of any proceeding commenced before termination.

9. Within 10 days of execution, each Producer Organization party to this Agreement agrees to designate up to three (3) representatives to constitute a steering committee to coordinate the handling of matters under this Agreement and act on behalf of both PROORGs. Upon agreement of the Producer Organizations initially entering into this agreement, the Parties may agree to include additional organizations as parties. In that event, such organization(s) shall also appoint up to three (3) representatives to such steering committee.

10. Notices

Except as expressly provided otherwise, any notice, election or other correspondence required or permitted hereunder shall become effective upon receipt and, except invoices and payments, shall be deemed to have been properly given or delivered when made in writing and delivered personally to the party to whom directed, or when sent by United States certified mail with all necessary postage or overnight delivery service and charges fully prepaid, return receipt requested, and addressed to the party at the below-specified address:

Notices to Producer Organizations:

Montana Grain Growers Association
750 6th Street SW, Suite #202
P.O. Box 1165
Great Falls, MT 59403-1165
Attn: Executive Vice President

Montana Farm Bureau Federation
502 South 19th, Ste 104
Bozeman, MT 59718
Attn: Executive Vice President
406-587-0319 (fax)

Notices to BNSF Railway Company:

The BNSF Railway Company
2650 Lou Menk Drive
Fort Worth, TX 76102
Attn: Group VP Agricultural Products

Copy to:

The BNSF Railway Company
2650 Lou Menk Drive
Fort Worth, TX 76102
Attn: VP & General Counsel - Regulatory

The addresses may be changed upon written notice in the manner provided above, and no amendment hereof shall be required for a change of address. If given by telephone, fax or verbally, the notice shall be confirmed in writing in accord with the provisions of this Section as practicable thereafter.

IN WITNESS WHEREOF, the Parties to this Agreement have caused their duly authorized representatives to execute it as of the day and year first above written.

Montana Grain Growers Association

By: Birgitta Bergem

Title: President

Date: 1-29-09

Montana Farm Bureau Federation

By: [Signature]

Title: President

Date: 1-20-09

BNSF Railway Company

By: [Signature]

Title: KEVIN D. KAUFMAN
GROUP VICE PRESIDENT
AGRICULTURAL PRODUCTS

Date: 28 Jan 09

Exhibit I to Agreement to Administer ADR

**Agreement For
Mediation and Binding Arbitration Of
Rail Grain Rate Disputes**

THIS AGREEMENT TO MEDIATE and ARBITRATE as forms of Alternate Dispute Resolution (the "Agreement for ADR"), dated as of _____, 2009, is entered into by and among (i) BNSF RAILWAY COMPANY, a Delaware corporation, (ii) [insert name of PRODUCER], a [specify state of corporation or other organizational structure], and (iii) [insert name(s) of Producer Organization(s), PROORG or PROORGs [specify state of incorporation or other organizational structure].

WHEREAS, BNSF Railway Company ("BNSF") has publicly indicated its willingness to have certain disputes involving rates charged for the transportation of wheat and/or barley resolved through voluntary mediation or, if necessary, binding arbitration; and

WHEREAS, BNSF hereby holds itself out as willing to enter into agreements providing for voluntary mediation and binding arbitration with Producer Organization(s) ("[PROORGs]") ("referred to individually and/or collectively in this Agreement as PROORG") meeting the eligibility criteria specified herein as an alternative to litigating the issue of transportation rate reasonableness before the Surface Transportation Board; and

WHEREAS, [complete with name of PROORG(s)] wish(es) to facilitate alternative dispute resolution processes between its producer members and BNSF Railway involving disputes over transportation rates for the movement of wheat and/or barley, and, to that end, has entered into an agreement with BNSF providing an administrative mechanism by which [PROORG] would participate in the resolution of such disputes through mediation and/ or arbitration as the sole representative of its Producer member or members (" The Agreement to Administer Alternative Dispute Resolution of Rail Grain Rate Disputes dated January 30, 2009 or BNSF- Producer Organizations Agreement to Administer ADR"); and

WHEREAS, [PRODUCER or PRODUCERS] ("referred to individually and/or collectively in this Agreement as Producer") wishes to avail itself of the opportunity of voluntary mediation and, if necessary, binding arbitration pursuant to the terms of this Agreement for ADR with BNSF and represents its eligibility under the criteria specified herein to do so,

NOW, THEREFORE, in consideration of the foregoing and the promises and representations below, the Parties agree as follows:

1. Agreement for Representation in Mediation and Arbitration of Grain Rate Dispute

Upon execution of this Agreement for ADR, *PROORG(s)*, BNSF and such initial Producer(s) who execute the Agreement agree to pursue mediation and arbitration pursuant to the terms of this Agreement. By such execution, Producer agrees that *PROORG* is the principal and sole authorized Representative to seek resolution for Producer of the specific grain rate dispute it submits for resolution pursuant to this Agreement and that BNSF shall be entitled to rely on communications and acts of *PROORG(s)* as though they were communications and acts of Producer.

2. Eligibility to Mediate and Arbitrate Grain Rate Dispute

Eligibility to mediate and arbitrate under this Agreement for ADR is limited to producers who (i) own and/or actively farm [wheat (STCC ____) or barley (STCC ____)] in the state of Montana and who are represented by *PROORG(s)*, and (ii) tender their wheat and/or barley to a BNSF-served origin elevator from where the wheat and/or barley at issue is shipped BNSF direct to a BNSF-served destination greater than 250 miles from that origin. Producer hereby represents that it meets these eligibility criteria with respect to movements of [wheat/barley] originating on BNSF at [Insert specific Origin] and terminating on BNSF at [Insert specific Destination]. The rate that will be at issue in the mediation and arbitration is the specific individual current rate of [specify dollars/car] on movements of wheat between these specific points which is contained in BNSF Price Authority ____ (the "Issue Rate"), including applicable fuel surcharge, less any allowance(s) paid or credited by BNSF on such movement in the one year time period prior to commencement of the proceeding. *PROORG(s)* will give BNSF written notice of such request for mediation upon initiation of its handling of the dispute.

3. Use of Mediation and Arbitration

a. The Parties agree to use their best efforts to resolve the dispute regarding the Issue Rate through negotiation and mediation before resorting to arbitration and formal arbitration under this ADR process. A representative of a *PROORG* shall contact the BNSF notice party in this Agreement and advise that Producer desires to pursue mediation, and *PROORG* shall advise producer members of the opportunity for participation. BNSF agrees to meet with the Producer at a mutually convenient location within 30 days, and both BNSF and Producer agree to send representatives with the authority to resolve the dispute. BNSF and *PROORG* (acting as Producer's Representative) may designate a third individual to act as mediator at such negotiating session, in which case BNSF and *PROORG* agree to share equally the cost of such mediator. The Parties agree to use their best efforts to conduct such mediation expeditiously within such 30 days of notice.

b. If mediation is unsuccessful or both parties agree not to mediate, the Parties agree to submit their Issue Rate dispute for resolution by binding arbitration administered by the JAMS Dispute Resolution organization (www.jamsadr.com), ("JAMS"), by a panel of three arbitrators established in accordance with the procedures under the BNSF-Producer Agreement to Administer ADR ("Panel") and conducted pursuant to the Arbitration Rules of the National Grain and Feed Association ("NGFA Arbitration Rules") unless the Parties agree otherwise. Additional Producers who then execute this Agreement prior to the commencement of the arbitration under Section 11 may also participate in such arbitration over such Issue Rate. The Panel will issue a reasoned written decision. The arbitrators' decision will be enforceable in any court of competent jurisdiction and shall be subject to review only on the grounds for vacating an arbitration award set forth in Section 10 of the Federal Arbitration Act, 9 U.S.C. § 10 and for modifying or correcting an award set forth in Section 11 of the FAA, 9 U.S.C. § 11.

4. Limitation on Actions Other than Arbitration

By entering into this Agreement for ADR and pursuing its mediation and arbitration processes, any participating Producer and *PROORG(s)* waives any right either might otherwise have to challenge the reasonableness of the current level of the Issue Rate (whether affirmed or adjusted as a result of the ADR processes described herein) before the Surface Transportation Board ("STB") or in any other forum for a period of 1 (one) year from the date of this Agreement for ADR. *PROORG(s)*, as representative of such participating Producer also agrees that in the event any Issue Rate addressed

under these procedures is challenged by another party before the STB, *PROORG(s)* will, at BNSF's request and expense, advocate before the STB in support of the Issue Rate (whether affirmed or adjusted as a result of the ADR processes described herein). Each participating Producer agrees, and *PROORG(s)*, agree that they will hold each other Party harmless for its role in this mediation and arbitration and agrees not to pursue any claim against *PROORG(s)* relating to *PROORG(s)*'s handling or progression of this dispute and representation of Producer in this process it might have, regardless of outcome.

5. No Precedential Effect of Decision

The outcome of the arbitration and any decision issued by the Panel in connection with the arbitration procedures contained herein shall have no precedential effect in any subsequent arbitration of a rail grain rate dispute subsequently brought under this BNSF ADR program under this Agreement of ADR, whether brought by Producer or another entity; and the arbitrators shall not rely on any prior ADR decision under this process with any party.

6. Confidentiality

Commercial, financial and cost information exchanged by any party during the course of an arbitration proceeding shall be treated as confidential and not be intentionally disclosed to third parties, and the parties will enter into a Confidentiality Undertaking designed to protect the confidentiality of such information unless the parties agree otherwise. Unless otherwise agreed by the parties to a dispute, a bulletin shall be prepared by the Panel and issued by *PROORG(s)* reporting on the general outcome of an arbitration proceeding which would identify the parties to an arbitration under this Agreement for ADR, an award made, if any, the origin(s)-destination(s) involved, and a summary of the Panel's reasoning and conclusions.

7. Effective Period and Nature of Any Relief

Any relief obtained by Producer through the arbitration proceeding, including but not limited to the establishment of a maximum prospective Issue Rate, shall be effective for a time period of no more than one year from the issuance of the arbitration award, and fourteen months prior to, the date of the commencement of the binding arbitration process entered into pursuant to this Agreement for ADR. Commencement of arbitration shall occur at the point that the third arbitrator accepts his or her position on the Panel. Any and all prospective relief shall be in the form of an adjustment to the Issue Rate only; the Panel shall not have the authority to review and adjust the amount of any applicable fuel surcharge, or to order any relief below the eligibility levels provided in Section 9 for any period. Reparations, if any, found due by the arbitrators, shall be tendered by BNSF to *PROORG(s)*, in which case reparations would be available from the date fourteen months prior to commencement of the arbitration through the commencement of the arbitration, without accrual or payment of interest, and relief in the form of a rate prescription would be available for the one year period following the issuance of the arbitration award. *PROORG(s)* shall be responsible to distribute any reparations tendered by BNSF, net of *PROORG(s)*' costs for the proceeding, to the participating Producer or Producers based upon such *PROORG(s)*' equitable determination, in its sole discretion, of relative bushel utilization of a given Issue Rate by such Producer(s). The Producer(s) agree to be bound by such determination by *PROORG(s)* and the results of such joint handling among themselves. The authority of the arbitrators shall be limited to adjustment or findings applicable to the base Issue Rate, and the arbitrators shall have no authority to prescribe or award reparations of any kind relating to any fuel surcharge.

8. Factors to Be Considered by Arbitrators in Determining Entitlement to and Magnitude of Relief

PROORG(s) and BNSF will direct the arbitration Panel to evaluate the reasonableness of the rate level put in issue by the Producer by evaluating and taking into account the following factors:

- (a) the absence or existence of competitive alternatives to the transportation to which the Issue Rate applies;
- (b) capital requirements of the rail system used by Producer's traffic and the revenue available to sustain the network;
- (c) rate levels on comparable traffic;
- (d) applicable market factors comparing like movements from origins to similar markets for the same commodity;
- (e) the overall costs of providing service covered by the rate being challenged; and
- (f) relief would not be justified in the event a truck rate no higher (i.e., lower) than the contested rail rate is available to the Producer from origin to elevator destination for the same commodity for the specified mileage segment.

9. Eligibility for Relief Based on Ratio of Revenues to URCS Costs

Eligibility for relief in an arbitration hereunder shall be determined based on the ratio of the overall revenue generated by (i) the Issue Rate plus any applicable fuel surcharge, to (ii) the variable costs, including fuel costs, incurred on the movement at issue. Variable costs will be calculated based on the most recently available system average Uniform Rail Costing System ("URCS") variable costs for BNSF developed as described in Appendix A to this Agreement for Arbitration. If the revenue to variable cost ratio generated by the Issue Rate (less any allowances paid by BNSF on such movement in the one year time period prior to commencement of the arbitration proceeding) is less than 180 percent of variable costs for a non-shuttle shipper or less than 195 percent of variable costs for a shuttle shipper (as shuttle movement is defined in BNSF's Shuttle Rules available on its website, e.g., A BNSF shuttle is a 110-car train of dedicated high capacity (5161 cubic foot 286,000 lb GWOR) equipment with dedicated locomotives that loads in 15 hours and unloads in 15 hours), the Panel will have no authority to order relief. Subject to review by the arbitrators, BNSF will make modifications to the URCS-based revenue to variable cost ratios to reflect the relationship of the fuel cost component (mileage based surcharge) of the rate being challenged to historic URCS fuel cost values in light of the historic lag in the availability of URCS data as described in Appendix A.

10. Expedited Process

BNSF, *PROORG* and Producer will use their best efforts to complete the arbitration contemplated herein within a period of 120 days from the date of initiation of arbitration by complaint under section 11(a). The parties will advise JAMS and the Panel selected to arbitrate the dispute of the target date for completion of the arbitration and jointly urge the Panel to issue its decision no later than the target date. BNSF will pay JAMS the applicable initial administrative filing fee, including the arbitrators' fees, fees assessed by JAMS for handling the proceeding, and the *PROORG* will reimburse BNSF for such costs of the arbitration paid to JAMS and the arbitrators' fees and expenses if the Producer is not awarded relief in the proceeding.

11. Procedures Governing Arbitration

The procedures governing the institution, preparation, handling and resolution of a grain rate dispute arbitration will be those specified in the NGFA Arbitration Rules, except as augmented and modified in the following sub-sections or agreed to by the Parties:

a. **Complaint.** If *PROORG*(s) and Producer(s) elect to proceed to arbitration, the *PROORG* or *PROORG*s acting on behalf of Producer(s) shall initiate its complaint seeking arbitration within 45 days of the completion of mediation by serving it upon BNSF (which shall file with JAMS in accord with the BNSF- Producer Organizations Agreement to Administer ADR). In addition to the matters specified in the NGFA Arbitration Rules, the complaint filed by Producer shall set forth: (i) a statement of eligibility to pursue the ADR procedure, including a specification of the origin, destination, current Issue Rate, rate authority, and STCC for the challenged movement and confirmation that the Producer did tender that quantity of commodity for shipment from origin to destination during the prior annual period or confirmation that the Producer did sell a specified quantity of wheat and/or barley to a grain elevator at origin that was subsequently tendered to BNSF for shipment from origin to destination during the prior annual period beginning after the execution of this Agreement; (ii) the volume of traffic moved under the Issue Rate or previously effective rate for the prior two years; (iii) the traffic projected to move under the Issue Rate for the next two years; (iv) other commodities shipped by Producer by rail at either the origin or the destination covered by the Issue Rate; (v) evidence of the absence of actual and potential intramodal and intermodal competition for the transportation at issue; (vi) the revenue to variable cost ratio on the movement at issue and/or a request for data sufficient to permit the Producer to calculate such ratios; (vii) evidence of relevant market factors and their impact; (viii) any other evidence that Producer believes to be probative in light of the factors to be considered by the arbitrators set out in Section 8 of this Agreement for ADR.

b. **Answer.** In addition to the matters specified in the NGFA Arbitration Rules, the answer filed by BNSF shall set forth: (i) any defense to an allegation of absence of effective competition; (ii) BNSF's calculation of the revenue to variable cost ratio on the movement at issue; (iv) identification of other traffic that should be included in the complaint; (v) claim of grain draw argument defense; (vi) effects of reduced revenue on the movement at issue; (vii) any other evidence that BNSF believes to be probative in light of the factors to be considered by the arbitrators set out in Section 7 of this Agreement for ADR.

c. **Discovery.** At any time after the effective date of this Agreement for ADR up through the filing of BNSF's answer, either party may file limited written discovery requests, as follows, unless additional discovery specifically authorized by the Panel: (i) no more than 5 requests for production of documents (including subparts); (ii) no more than 20 interrogatories (including subparts). Depositions will not be permitted. Any disputes regarding discovery will be resolved by the Panel appointed to decide the arbitration.

d. **Evidence and Attendance of Affiants at Hearing.** Evidence will be submitted, and oral hearings conducted, in accordance with the applicable provisions of the NGFA Arbitration Rules as determined by the arbitrators. If a hearing is held, each party will be required to present the live testimony of at least one witness at the hearing.

12. Notices

Except as expressly provided otherwise, any notice, election or other correspondence required or permitted hereunder shall become effective upon receipt and, except invoices and payments, shall be deemed to have been properly given or delivered when made in writing and delivered personally to the party to whom directed, or when sent by United States certified mail with all necessary postage or overnight delivery service and charges fully prepaid, return receipt requested, and addressed to the party at the below-specified address:

Notices to *PROORG(s)*:

__ [Insert] _____

Copy to:

__ [Insert] _____

Notices to Producer:

__ [Insert] _____

Copy to:

__ [Insert] _____

Notices to BNSF Railway Company:

The BNSF Railway Company
2650 Lou Menk Drive
Fort Worth, TX 76102
Attn: Group VP Agricultural Products

Copy to:

The BNSF Railway Company
2650 Lou Menk Drive
Fort Worth, TX 76102
Attn: VP & General Counsel - Regulatory

The addresses may be changed upon written notice in the manner provided above, and no amendment hereof shall be required for a change of address. If given by telephone, fax or verbally, the notice shall be confirmed in writing in accord with the provisions of this Section as practicable thereafter.

IN WITNESS WHEREOF, the Parties to this Agreement for Mediation and Arbitration have caused their duly authorized representatives to execute it as of the day and year first above written.

[Producer]

By: _____

Date: _____

[PROORG]

By: _____

Date: _____

BNSF Railway Company

By: _____

Date: _____

**Appendix A To
Agreement for Binding Arbitration of Rail Grain Rate Disputes**

Required URCS Inputs

Parameter	Methodology
Carrier	Select the carrier (BNSF).
Distance	Calculate BNSF miles from origin to destination (or interchange point). Use “shortline miles” (i.e., rail miles calculated by the STB, or by a third party such as ALK or Rand McNally), not actual “cycle miles” (i.e., actual rail miles for the shipment in question, recorded by the carrier). Shortline miles represent the public information about the move, and are appropriate in a regulatory setting. The URCS model adjusts shortline miles by a carrier-specific average circuitry factor to approximate actual miles.
Shipment Type	The user has 4 options for use in the arbitration. Select the appropriate option based on shipment information obtained from the Waybill, the carrier’s internal data, or other sources as appropriate. The options are: <ul style="list-style-type: none"> ▪ <i>Originate & Terminate</i>: local shipment ▪ <i>Originate & Deliver</i>: forwarded shipment ▪ <i>Receive & Deliver</i>: bridge shipment ▪ <i>Receive & Terminate</i>: received shipment
Number of Cars	Specify the number of freight cars moving in the shipment. (Note that this is different from the number of cars in the train. While a unit train of 115 cars contains a single 115-car shipment, a merchandise train of 100 cars might contain 20 5-car shipments.)
Car Type	Identify the freight car type and whether railroad owned, controlled or provided. The URCS model gives the user 17 car type options (plus an 18 th “all other” option). The URCS model car types correspond to the car types in STB Schedule 710 (lines 36-52), which can be mapped to AAR car type codes (A123, e.g.).
Car Ownership	Identify car ownership as railroad-owned or privately-owned. Cars owned by carriers other than the operating carrier are considered railroad-owned.
Tons per Car	Calculate the average lading tons per car for the shipment. (Exclude the tare weight of the car.)
Commodity	Identify the commodity by STCC code. The URCS model allows 82 unique STCC codes of varying lengths between 2 and 5 digits (i.e., STCC 11 for “Coal”, or STCC 26211 for “Newsprint”). Convert each shipment’s 5- or 7-digit STCC code into the appropriate URCS STCC code, using as detailed a STCC code as possible.
Movement Type	Identify the movement type based on the number of cars in the shipment. Following the STB methodology, shipments with 1-5 cars are classified as “Single”; shipments with 6-49 cars are classified as “Multiple.” Shipments with 50 or more cars are classified as “unit”.
Movement Parameters	URCS default detailed movement parameters are to be used for costing.
URCS Update	Once total URCS costs are Calculated, the total URCS costs are adjusted by the percentage change in operating expense per GTM for the year the moves are being challenged versus the operating expense per GTM for the year that URCS program costs are based upon. The operating expenses and GTM’s are available in quarterly BNSF SEC filings, and the operating expenses shall be adjusted to exclude any fuel hedge benefit or liability
Fuel Surcharge Revenue Adjustment	BNSF will make modifications to the URCS-based revenue to variable cost ratios to reflect the relationship of the fuel surcharge assessed with the rate being challenged to historic URCS fuel cost values in light of the historic lag in the availability of URCS data. The modification shall be made by adjusting the fuel surcharge based on the simple average of the fuel surcharge rates in effect for the same time period as the URCS costs represent (as published on the BNSF web site) in effect for the same time period as the URCS costs represent.