

234457



June 20, 2013

Ms. Lucille Marvin
Office of Public Assistance, Government
Affairs & Compliance
Surface Transportation Board
395 E. Street, SW
Washington, DC 20423

SUBMITTED
Office of Proceedings

JUN 21 2013

Part of
Public Record

Re: Finance Docket No. 27590. TTX Company, et al

Dear Ms. Marvin,

I enclosed for filing with your office, the following documents:

- TTX Form A Car Contract: Supplement No. 227, which cancels Supplement no. 224, in part, with respect to the Car Hire charges for the Single-Unit and Two-Unit TTYX equipment. Supplement No. 227 was effective April 1, 2013
- TTX Form A Car Contract: Supplement No. 228, "Gifting" of Centerbeam and Bulkhead capacity, effective July 1, 2013.
- TTX Form A Car Contract: Supplement No. 229, Incentives for Conventional Intermodal Equipment, effective July 1, 2013.
- TTX Form G Car Contract: Amendment No. 18, will distribute GONX railcars and distribute a new Entitlement Calculation, effective June 12, 2013

Copies of this letter and Supplement have been enclosed. Please stamp the acknowledgement copy with the filing date and return it to the messenger.

Sincerely,

Anne Treadway
Assistant General Counsel
(312) 984-2662
Anne.Treadway@ttx.com

Enclosures

**PROPOSED
SUPPLEMENT NO. 227**
to the
TTX COMPANY FORM A CAR CONTRACT
SUPERSEDING SUPPLEMENT NO. 224, in part
(Effective April 1, 2013)

Pursuant to action taken by the TTX Board of Directors on June 12, 2013, this Supplement No. 227 cancels Supplement No. 224, in part, with respect to the car hire charges for the Single-Unit and Two-Unit TTYX equipment. The car hire charges for the Single-Unit and Two-Unit TTYX equipment are specified on the attached Exhibit A, effective April 1, 2013. The rates for the Five-Unit TTYX equipment are not changed by this Supplement and remain as set forth in Supplement No. 222.

The applicable mileage charges and wheel surcharge, which are not included herein, remain unchanged by this Supplement.

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*Checked by
July 20, 2013
Public Release*

**TTX COMPANY
CAR HIRE CHARGES
PURSUANT TO SUPPLEMENT 227
EFFECTIVE APRIL 1, 2013**

SINGLE-UNIT TTYX RAILCARS

<u>Monthly Utilization Level (%)</u>	<u>Hourly Rate</u>	<u>Monthly Utilization Level (%)</u>	<u>Hourly Rate</u>	<u>Monthly Utilization Level (%)</u>	<u>Hourly Rate</u>
Base Rate	\$0.69	69%	\$0.52	88%	\$0.43
51%	\$0.68	70%	\$0.52	89%	\$0.42
52%	\$0.67	71%	\$0.51	90%	\$0.42
53%	\$0.65	72%	\$0.51	91%	\$0.41
54%	\$0.64	73%	\$0.50	92%	\$0.41
55%	\$0.63	74%	\$0.49	93%	\$0.41
56%	\$0.62	75%	\$0.49	94%	\$0.41
57%	\$0.62	76%	\$0.48	95%	\$0.40
58%	\$0.61	77%	\$0.48	96%	\$0.40
59%	\$0.60	78%	\$0.47	97%	\$0.39
60%	\$0.59	79%	\$0.47	98%	\$0.39
61%	\$0.58	80%	\$0.46	99%	\$0.39
62%	\$0.57	81%	\$0.46	100%	\$0.38
63%	\$0.57	82%	\$0.45		
64%	\$0.56	83%	\$0.45		
65%	\$0.55	84%	\$0.44		
66%	\$0.54	85%	\$0.44		
67%	\$0.54	86%	\$0.43		
68%	\$0.53	87%	\$0.43		

**Utilization Level Calculated Monthly as follows:
TTYX in Service* / Serviceable TTYX On Line****

***All railcars on line are considered "in Service" unless placed on relief; no railcar with an appurtenance may be placed on relief.**

****Total On Line - Bad Order or TTX Paid Storage = Serviceable.**

**TTX COMPANY
CAR HIRE CHARGES
PURSUANT TO SUPPLEMENT 227
EFFECTIVE APRIL 1, 2013**

TWO-UNIT TTYX RAILCARS

<u>Monthly Utilization Level (%)</u>	<u>Hourly Rate</u>	<u>Monthly Utilization Level (%)</u>	<u>Hourly Rate</u>	<u>Monthly Utilization Level (%)</u>	<u>Hourly Rate</u>
Base Rate	\$1.37	69%	\$1.04	88%	\$0.85
51%	\$1.35	70%	\$1.03	89%	\$0.84
52%	\$1.33	71%	\$1.02	90%	\$0.83
53%	\$1.30	72%	\$1.01	91%	\$0.82
54%	\$1.28	73%	\$0.99	92%	\$0.82
55%	\$1.26	74%	\$0.98	93%	\$0.81
56%	\$1.24	75%	\$0.97	94%	\$0.81
57%	\$1.23	76%	\$0.96	95%	\$0.80
58%	\$1.21	77%	\$0.95	96%	\$0.79
59%	\$1.20	78%	\$0.94	97%	\$0.78
60%	\$1.18	79%	\$0.93	98%	\$0.78
61%	\$1.16	80%	\$0.92	99%	\$0.77
62%	\$1.14	81%	\$0.91	100%	\$0.76
63%	\$1.13	82%	\$0.90		
64%	\$1.11	83%	\$0.89		
65%	\$1.09	84%	\$0.88		
66%	\$1.08	85%	\$0.87		
67%	\$1.07	86%	\$0.86		
68%	\$1.05	87%	\$0.85		

**Utilization Level Calculated Monthly as follows:
TTYX in Service* / Serviceable TTYX On Line****

***All railcars on line are considered "in Service" unless placed on relief; no railcar with an appurtenance may be placed on relief.**

****Total On Line – Bad Order or TTX Paid Storage = Serviceable.**

**TTX COMPANY
CAR HIRE CHARGES
PURSUANT TO SUPPLEMENT 222
EFFECTIVE JULY 1, 2011**

FIVE-UNIT TTYX RAILCARS

<u>Monthly Utilization Level (%)</u>	<u>Hourly Rate</u>	<u>Monthly Utilization Level (%)</u>	<u>Hourly Rate</u>	<u>Monthly Utilization Level (%)</u>	<u>Hourly Rate</u>
Base Rate	\$2.27	69%	\$1.65	88%	\$1.29
51%	\$2.23	70%	\$1.62	89%	\$1.28
52%	\$2.18	71%	\$1.60	90%	\$1.26
53%	\$2.14	72%	\$1.58	91%	\$1.25
54%	\$2.10	73%	\$1.56	92%	\$1.23
55%	\$2.07	74%	\$1.54	93%	\$1.22
56%	\$2.03	75%	\$1.51	94%	\$1.21
57%	\$1.99	76%	\$1.49	95%	\$1.20
58%	\$1.96	77%	\$1.48	96%	\$1.18
59%	\$1.93	78%	\$1.46	97%	\$1.17
60%	\$1.89	79%	\$1.44	98%	\$1.16
61%	\$1.86	80%	\$1.42	99%	\$1.15
62%	\$1.83	81%	\$1.40	100%	\$1.14
63%	\$1.80	82%	\$1.39		
64%	\$1.78	83%	\$1.37		
65%	\$1.75	84%	\$1.35		
66%	\$1.72	85%	\$1.34		
67%	\$1.70	86%	\$1.32		
68%	\$1.67	87%	\$1.31		

**Utilization Level Calculated Monthly as follows:
TTYX in Service* / Serviceable TTYX On Line****

***All railcars on line are considered "in Service" unless placed on relief; no railcar with an appurtenance may be placed on relief.**

****Total On Line - Bad Order or TTX Paid Storage = Serviceable.**

PROPOSED SUPPLEMENT NO. 228
to the
TTX COMPANY FORM A CAR CONTRACT
(Effective July 1, 2013)

*Original
JUL 24 2013
W. J. O'NEILL
FACILITY*

Pursuant to action taken by the TTX Board of Directors on June 12, 2013, the Form A Car Contract between Carriers and TTX is amended under the following terms and conditions with respect to certain cars in service on or after July 1, 2013. This Supplement amends Supplements 198 (applicable to Centerbeam cars) and 199 (applicable to Bulkhead cars).

I. Purpose

The purpose of this Supplement is to provide a mechanism for a short-term change in Entitlement between Carriers in order to provide more flexibility in the distribution of the cars subject to this Supplement (defined below).

II. Cars Subject to this Supplement

This Supplement applies to TTZX (Centerbeam) and TTPX (Bulkhead) flatcars that qualify for inclusion in the Managed Centerbeam and Bulkhead Pools provided for in Supplements 198 and 199 ("Cars").

III. "Gifting" of cars

"Gifting" is defined as the offer by one carrier of a number of Cars to another carrier for a temporary period (of a stated or unstated term) and acceptance of that offer by a second carrier for use of Cars in a Managed Pool. Gifted Cars will only be used in the Managed Pool. The result of the Gift is that the carrier Gifting the cars (the "Gifto") has correspondingly fewer in its Entitlement, and the carrier receiving the cars ("Giftee") has correspondingly more during the period of the Gift. The Gifto may revoke the gift on 15 days' notice but not until the passage of 30 days (30 days is the minimum term of the gift).

IV. Term

- A. The process for Gifting is (1) a Carrier notifies the Pool Manager (TTX) that it seeks to increase its entitlement (by Gift or permanent change), by a certain number of Cars, such request to include the car specifications such as car type, loading capabilities etc.; (2) TTX notifies the other Carrier members of the request; (3) within 5 business days, Carriers wishing to Gift Cars will so notify TTX including the number of

Cars offered and confirming their specification meets the request and the time period of the Gift (if no period is specified the Gift term is unlimited); (4) if more than one Carrier offers a Gift complying with the request, the successful Gifto will be the FIRST to offer; (5) if the first to offer a Gift does not offer the full number of Cars requested, then subsequent offers will be accepted until the Gift request is complete; (6) TTX will notify the successful Gifto(s) and Giftee. No Gift may be offered for less than 30 days.

- B. The term will commence when the entire number of the Gifted Cars are actively running in the relevant Managed Pool, all Gifted Cars are operational (and in compliance with AAR interchange requirements), TTX has changed the pool code to reflect the Managed Pool, and TTX notifies the other Carriers of the fulfillment of the request.
- C. The Gifto may offer a Gift for a fixed period (e.g., 60 days) so long as the period is at least 30 days, and the term of the Gift comes to an end at the end of that period. The Gifto may offer a Gift with no set period and, if the Gifto does not recall the Gifted Cars after the required minimum 30 day gifting period, then the term of the Gift shall extend for an indefinite period of time terminable by the Gifto on 15-day notice to TTX, subject to section VII, below.
- D. The Giftee does not have the right to revoke the Gift of the Gifto but must wait until (1) the term of the Gift ends (if any); (2) the Gifto recalls the cars on 15 days' notice.

V. Storage of cars

The Giftee shall be responsible for possessing and storing that Gifted portion of its Entitlement until the Gifto recalls the Gift.

VI. Returning Gifted cars

The Gifto will have like kind cars returned to its Entitlement upon termination of the Gifting period.

VII. Gift Becomes Permanent

If a Gift is made to a Giftee and is not terminated by the Gifto within three years, TTX will ask the Gifto if it wants the cars returned, and if not the Gift becomes permanent.

*Original Board Meeting
July 24, 2013
Filed
Public Record*

**PROPOSED SUPPLEMENT No. 229
to the
TTX COMPANY FORM A CAR CONTRACT**

Effective July 1, 2013

Pursuant to action taken by the TTX Board of Directors on June 12, 2013, the Form A Car Contract is hereby amended by this Supplement. The purpose of this Supplement is to provide an incentive for the use of conventional intermodal equipment.

Overview

Since 2009, the size of the Conventional Intermodal fleet has decreased 34% due to conversions of 89' railcars and other retirements due to age. One result of these changes is the reduced fleet is not operating at the previous usage levels. As the Conventional fleet transitions from one with multiple lengths to predominantly 53' – 57' equipment, in order to invite usage of Conventional equipment during this transition there will be an incentive established of 20% of the incremental car hire difference between each eligible railroad's historical baseline Conventional usage versus its current monthly Conventional usage under the terms described below.

Qualification

- 1) Applicable only to equipment in the Conventional (CONV) Intermodal fleet segment, defined as any TTX Intermodal railcar other than a double-stack.
- 2) Available only to owners of TTX Company.

Determination and Process

- 1) A baseline monthly car hire value for each member railroad will be established using Conventional car hire only (not mileage). The 12-month period from July 2012 through June 2013 will serve as the timeline.
- 2) Beginning July 1, 2013, member railroads whose monthly Conventional car hire liability is greater than its baseline will receive a 20% incentive on the difference between that month's Conventional car hire liability and its baseline. Examples are provided below.
- 3) Mileage charges, including applicable wheel surcharges, are neither included in the baseline nor affected by this incentive.
- 4) Eligibility for each member railroad will be re-determined separately with each new monthly car hire cycle. Eligibility in one month does not guarantee eligibility in each successive month.
- 5) Adjustments will be implemented through each railroad's monthly 100% bill.
- 6) Any other incentives on Conventional equipment that may be applicable currently or in the future will be applied following the determination of this incentive and on its net amount; i.e. Conventional car hire liability minus the incentive amount.
- 7) If, after implementation of the incentive provided for here, car hire rates on Conventional equipment increase, each member railroad's baseline will increase by the weighted average percent car hire increase. As an example, if the current weighted average car hire rate is \$30, and the weighted average car hire rate were increased to \$31, each railroad's baseline would increase 3.3% $((31 - 30)/30)$.

- 8) In order to protect the available Conventional car supply for member railroads taking advantage of the incentive, railroads that increase their Conventional Intermodal Entitlement (as defined in Supplement 220 or any successor Supplements) after the implementation of this incentive and that do not meet the eligibility requirements of this incentive for any three consecutive months following that Entitlement increase will not be eligible for this incentive for the following twelve calendar months if another railroad(s) is seeking an increase in its Conventional Entitlement during those same three months.

Examples

The following examples illustrate eligibility for the incentive and its implementation. For the sake of these examples, assume a railroad baseline of \$1.5 million. Figures are expressed in dollars.

<u>Examples</u>	<u>Month</u>					
	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>
a) Railroad Baseline	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
b) Railroad Car Hire Liability	\$1,400,000	\$1,550,000	\$1,600,000	\$1,475,000	\$1,700,000	\$1,500,000
c) Car Hire Liability > Baseline?	No	Yes	Yes	No	Yes	No
d) Eligible for Incentive?	No	Yes	Yes	No	Yes	No
e) Difference	NA	\$50,000	\$100,000	NA	\$200,000	NA
f) Incentive amount (20% * e)	\$0	\$10,000	\$20,000	\$0	\$40,000	\$0
g) Net Car Hire Liability (b - f)	\$1,400,000	\$1,540,000	\$1,580,000	\$1,475,000	\$1,660,000	\$1,500,000

*Original
July 26, 2013
Public Notice*

PROPOSED AMENDMENT NO. 18
to the
TTX COMPANY FORM G CAR CONTRACT
(Effective June 12, 2013)

Pursuant to action taken by the TTX Board of Directors on June 12, 2013, the Form G Car Contract is hereby amended by this Amendment. The purpose of this Amendment is to distribute GONX railcars and establish a new Entitlement Calculation.

1. Definitions:

For the purposes of this Amendment, the following definitions apply:

- a. **Actual Cars On-Line** – The total serviceable Pool Cars on a Participant’s line plus Pool Cars on the Participant’s connecting short lines, or their connecting short lines, or connecting non-Participant lines (such carriers together to be hereafter referred to as “non-participant connections”). For this purpose, a Pool Car is deemed to be on a non-participant connection if the Participant is the last Participant road to possess the Pool Car prior to interchange to the non-participant connection.
- b. **Adjusted Cars On-Line** – Each Participant’s Actual Cars On-Line plus or minus Pool Cars moving to/from a Participant under Distribution Instructions.
- c. **Base Excess or Deficit Calculation** – The difference between the Adjusted Cars On-Line and the Entitlement.
- d. **Cars Deficit Pool Participant May Order** – The number of Pool Cars a Deficit Pool Cars Participant may order necessary for a Deficit Pool Participant to reach its Entitlement.
- e. **Cars Excess Pool Participant May Request to be Distributed** – The number of Pool Cars an Excess Pool Participant may request to be directed off-line for the Excess Pool Participant to reach its Entitlement.
- f. **Distribution Instructions** – An instruction issued by TTX to move Pool Cars to or from a Participant’s line pursuant to the prior week’s order.
- g. **Deficit Pool Participant** – A Pool Participant that has fewer Actual Cars on Line than it is entitled to have under the distribution methodology stated herein.
- h. **Entitlement** – The number of Pool Cars that a Participant is entitled to have on its line calculated as Entitlement Percentage times the Total Serviceable Fleet.

- i. **Entitlement Percentage**-A Participant's portion (stated as a percent) of the Total Serviceable Fleet that is entitled to have on-line, which is subject to change.
- j. **Excess Pool Participant** - A Pool Participant that has more Actual Cars On-Line than it is entitled to have under the distribution methodology stated herein.
- k. **Idle Car Adjustment** - TTX will calculate the number of Pool Cars idle 5 days or more on a Participant's line (or its non-participant connections) as of the time of the distribution calculation (set forth in section 3, below). That number of cars will be subtracted from the Cars Deficit Carrier May Order.
- l. **Initial Entitlement Percentage** -Pool Participant's Entitlement based upon the most recent 6 month percentage of utilization average available as of March, 2013.
- m. **Pool Cars** - All 52' 6"GONX gondolas.
- n. **Pool Participant** (also "**Participant**") - Any signatory to the TTX Form G Car Contract that has exercised its right to Entitlement.
- o. **TTX Authorized Facility** - A scrap dealer, paid storage location or TTX authorized repair shop.
- p. **Total Managed Fleet**-The total Pool Cars.
- q. **Total Serviceable Fleet**-Total Managed Fleet less Pool Cars in or en route to a TTX Authorized Facility and Pool cars which have been bad ordered.

2. **Weekly Distribution of GONX Fleet:**

The GONX fleet shall be distributed as follows:

- A. Notification - TTX will notify (or make available to) Pool Participants on a weekly basis whether they are in a Deficit or Excess Entitlement status.
- B. Pool Participant Response - Within 26 hours of Notification or publication, any Deficit Pool Participant may request in TTX's Unified Fleet Distribution System (UFD®) that Pool Cars up to the number of Cars Deficit Pool Participant May Order be directed to its line.

An Excess Pool Participant may, in UFD®, request distribution of Pool Cars to the extent such Participant is in an excess condition.
- C. TTX Response - TTX will have 24 hours after notification by Deficit Pool Participant to issue Distribution Instructions ("DI's") to fill Deficit Pool

Participant requests. TTX will determine viable outlets for excess capacity and sources to relieve deficits. To do this, TTX will evaluate the most logical options based on factors such as: inventory location, destination, interchange points, and time and mileage constraints. TTX will then issue DI's to Pool Participants to move Pool Cars in accordance with the distribution requirements and will:

- Provide Car Number, interchange point and estimated time of arrival information to destination road, as available;
- Monitor Pool Cars movements and confirm DI compliance, as available;
- Advise the appropriate Pool Participant of any significant delays, rerouting or substitution of equipment;
- Note any instance of non-compliance and issue violation notification in accordance with Section 5 "Compliance".

Excess Pool Participant will have 10 days to fill a DI from the date TTX issues it. Compliance with DI's means delivery to interchange with receiving Pool Participant.

3. Methodology of Distribution

The Distribution Methodology is as set forth in the chart in Exhibit A.

The steps TTX will take to identify the specific number of Pool Cars to be ordered under DI's for each Participant are as follows:

- a. Determine the Entitlement.
- b. Determine the Actual Cars On-Line.
- c. Determine Adjusted Cars On-Line by adding or subtracting Pool Cars moving to/from Participant under DI's.
- d. Determine the Base Excess or Deficit Calculation and Idle Car Adjustment.
- e. For Pool Participants in a deficit situation, calculate the Cars Deficit Pool Participant May Order.
- f. For Pool Participants in an excess situation, calculate the actual Cars Excess Pool Participant May Request to be Distributed.
- g. In the absence of any voluntary movement of empty cars to a Deficit Pool Participant, the count of cars ordered from surplus carriers is based on

their prorated share of the total surplus count. For example, Road 1 is deficit and orders 200 cars. Roads 2, 3, 4, and 5 are surplus. The table below shows the contribution each Pool Participant may be directed to make.

Road	Surplus Count	Ratio	Percentage	Total Order	Order per Road
2	500	500 / 750	66.7%	200	133
3	100	100 / 750	13.3%	200	27
4	100	100 / 750	13.3%	200	27
5	50	50 / 750	6.7%	200	13
Total	750		100.0%		200

4. Changes in Entitlement:

Should a Participant desire a change to its Entitlement after the Initial Entitlement Percentage is set, that Participant may at any time offer its excess Entitlement to, or seek additional Entitlement from, other Pool Participants. In either case, there must be at least two Participants in agreement to effectuate a shift in Entitlement. If no other Participants are agreeable to an Entitlement shift, all Participant Entitlements remain unchanged.

5. Compliance:

A Pool Participant that fails to be in compliance with a DI may be charged \$500 per car per each non-compliance violation. Pool Participants shall not be subject to such charges that result from a force majeure event. The Car Advisory Board has the right to change the non-compliance assessment at any time upon reasonable notice to the Pool Participants. The following are conditions of force majeure: Act of God, authority of law, adverse weather necessitating suspension of operation on a line, fire, explosion, embargo, war, insurrection, threatened or actual act of terrorism, or other conditions beyond a Pool Participant's reasonable control preventing compliance.

6. Surplus Periods

Participant shall be required, during periods of surplus, to have on its railroad or a connecting short line its Entitlement. A Surplus Period occurs when there are more Pool Cars available for distribution from Excess Carriers than there are requests by Deficit Carriers for Pool Cars.

7. Collection of Charges and Arbitration:

It shall be the responsibility of TTX to monitor compliance with DI's and to maintain a database of compliance in UFD® available to all Pool Participants for their review.

Whenever a Pool Participant has determined that a non-compliance assessment is due, the designated contact on the non-complying Pool Participant will be notified in writing within 14 days of the failure and advised of the non-compliance assessment owed. The amount shall be billed through normal channels with the Participant's car hire bill. The harmed Pool Participant reserves the right to waive any non-compliance assessment.

When arbitration has been requested to settle a dispute arising under this Amendment related to a non-compliance, the dispute shall be presented in writing to the Director - General Equipment (or his/her successor) of TTX Company within 30 calendar days from the date on which arbitration was requested. The injured Pool Participant(s) may also elect to submit documentation within 30 calendar days of learning of the arbitration request. The Car Advisory Board, as established by TTX Company shall act as the arbitration committee. The arbitration committee may request oral presentation by the Director - General Equipment of TTX Company, the Pool Participant charged with non-compliance, and /or the injured Pool Participant. A majority of the arbitration committee is required to establish a quorum and the majority vote of those present shall govern. Members of the arbitration committee, determined by the Director - General Equipment of TTX Company to be involved in or affected by the dispute being considered, and representatives of TTX, will be disqualified from voting on resolution of the dispute. The arbitration committee, within 30 days after the arbitration proceeding, shall render its decision and such decision shall be final.

8. Rule 22 Reclaim

Pool Cars shall not be subject to AAR Rule 22 Reclaim.

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