

# Rules Tariff

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## GENERAL PROVISIONS

**Effective Date:** August 1, 2015. This Rules Tariff replaces all prior Rules Tariffs, and those issued previously are null and void. This Rules Tariff may be changed from time to time, and McLeod Express will endeavor to provide 30 days advance notice of such changes.

**Application of Charges:** The term **Customer** refers to the person or entity contracting to engage McLeod Express services with respect to a shipment, as well as any other person or entity having an interest in the cargo, including but not limited to a shipper, consignee, consignor, beneficial owner, broker, third-party logistics provider (3PL), or intermodal marketing company. Rules and charges in this Tariff will apply to any and all shipments not otherwise subject to a more specific valid Shipper/Carrier contract.

**Payment Terms:** McLeod Express may elect at their sole discretion to extend credit to Customer. All invoices are due and payable within fifteen (15) days of the invoice date. An additional fee equal to one-quarter of total amount due will be added to any invoices that must be turned over to a collection agency, attorney, or other outside party for recovery. Customer may not **short pay** freight charges or deduct charges from freight bills, unless authorized to do so in writing prior to the deduction. Customer waives its rights to any contested cargo claim that is improperly set off against freight charges.

**Substituted Service:** For their operating convenience, McLeod Express reserves the right to hire other qualified carriers as subcontractors to provide all or part of a given movement. McLeod Express agrees to protect the rates set forth when substituted services are provided, and warrants that all terms, conditions, duties and obligations owed to the shipper by the Rules Tariff, bill of lading, and/or contract will be provided.

### 1. APPLICATION OF RATES:

- a. **GOVERNING PUBLICATIONS:** This schedule is governed by the most current release of the Rand McNally Shortest Route Mileage Guide.
- b. **RATE:** A rate is a rate per mile applied from point of origin, through stops in transit (if they occur) to the point of destination via the governing mileage.
- c. **RATE PRECEDENCE:** When one or more rates apply to a movement, the most specific rate shall take precedence. Rates will also apply from or to places within or adjacent to named points or integral parts of said communities (commercial zones). Example: City to City takes precedence over City to State. A five digit zip takes precedence over a two or three digit zip.
- d. **SHIPMENTS WITH NO RATE HEREIN:** If Shipper tenders a load to McLeod Express with no rate existing, McLeod Express will determine a rate to apply based on the characteristics of the origin/destination and the McLeod's cost to service that shipment.
- e. **OUT OF ROUTE MILES:** On movements that are not rated in dollars and cents per mile, if the mileage from origin to destination via stop-off point or points exceeds the mileage over the shortest route from origin to destination, 100% of the excess mileage will be charged at the original direct route rate per mile computed from original flat charge.
- f. **FUEL SURCHARGE:** Fuel surcharges as agreed upon between Shipper and Carrier per Appendix A will apply to all shipments moved by Carrier. In addition,

a fuel surcharge will apply to out of route and circuitous miles incurred by Carrier due to the action of Shipper or Local, State or Federal Governmental body.

**2. APPLICATION OF ACCESSORIAL CHARGES:**

a. **PRECEDENCE OF ACCESSORIALS:** The charges described and agreed to below will apply to all loads unless a more specific charge is mutually agreed upon in writing.

b. **PRECEDENCE OF ACCESSORIALS:** Accessorials set forth in this schedule supersede any and all accessorial charges stated separately on rate schedules previously published.

3. **FUEL SURCHARGE:** See program in Appendix A of this tariff.

4. **STOP OFF CHARGE:** Excluding the origin and final destination, any shipment requiring additional stops in transit at any point for loading or unloading will be charged as follows:

a. **STOP ONE CHARGE:** The FIRST stop will be charged at **\$125.00**.

b. **STOP TWO CHARGE:** The SECOND stop will be charged at **\$175.00**.

c. **STOP THREE CHARGE:** The THIRD stop will be charged at **\$300.00**.

d. **STOP FOUR CHARGE:** The FOURTH stop and any additional stops will be charged at **\$450.00**.

Free time at stops will be in accordance with McLeod Express detention charges. **In addition to the stop off charges, loading/unloading charges may apply.**

5. **DETENTION CHARGE:** Detention is defined as a request by Shipper to detain driver(s), power unit(s) and/or trailer(s) to complete loading or unloading due to no fault of the Carrier

a. **Tractor & Driver:** Time shall accrue upon scheduled delivery or pick up time or upon Carrier's notice of arrival to Shipper on open deliveries and pickups. A Free time period of **60** minutes will be applicable before detention charges are assessed. Upon expiration of free time, a charge of **\$80.00** per hour, or fraction thereof, rounded to the nearest quarter hour will apply. Detention charges shall not exceed **\$700** in a 24 hour period. Detention charges apply at all stops.

Weekends and holidays will be included in the chargeable time. Shipper shall be responsible for any damage to or theft of McLeod Express equipment while in their possession.

b. **Trailer Detention - Drop Trailer Loading / Unloading (Non-Trailer Pool Locations):** Where Shipper and Carrier have agreed on a live load / unload (non-trailer pool location) and Carrier is asked by Shipper to drop trailer at no fault of Carrier, trailer detention will be charged at **\$50.00** per day. Charges will apply until Shipper notifies Carrier of trailer availability. **In addition, repositioning charges will apply.** Carrier shall apply a charge of \$2.00 per mile for all miles incurred bobtailing to next trailer subject to a minimum charge of \$150.00. Weekends and holidays will be included in the

chargeable time.

c. **Trailer Detention • Trailer Pool Loading / Unloading:** Under normal circumstances trailer detention charges will not apply for trailer pools when agreed upon trailer to load ratios are maintained. If Carrier is required to increase the trailer to load ratio due to actions of Shipper, detention charges may apply. Extra trailers supplied beyond the agreed upon trailer to load ratio, will be charged a minimum rate of **\$350.00** per week per trailer. In **addition, repositioning charges as defined will apply.** Weekends and holidays will be included in the chargeable time.

6. **LAYOVER CHARGE:** If Carrier is required, by action of the Shipper to lay a power unit and driver over a charge of **\$700.00** per occurrence will apply for trailer and tractor. Layover is defined as any unplanned break greater than **6** hours.

#### 7. **LOADING / UNLOADING CHARGES:**

a. **DRIVER LOADING / UNLOADING CHARGE:** If Carrier is required by Shipper to assist, provide or hire physical labor to perform loading and/or unloading of a shipment, a minimum charge of **\$150.00** each shall apply. If loading/unloading charges are to exceed **\$150.00**, Shipper will be held accountable for all excess charges. This will include, but is not limited to stacking, tagging, marking, sorting, and/or segregating of product, utilizing a hydraulic or manual pallet jack, assisting a Consignor/Consignee provided crew, or rolling bilge loaded paper rolls. Pick up and drop off charges are assessed independently as applicable.

b. **DRIVER LOADING / UNLOADING CHARGE (MULTI-STOP):** In the case of multiple pickups or drop offs, a load/unload charge of **\$75.00** per pickup or drop off will apply. If loading/unloading per stop exceeds **\$75.00**, Shipper will be held accountable for all excess charges.

c. **DRIVER LOAD COUNT / VERIFICATION CHARGE:** If driver is required to count or verify contents of load while loading or unloading, a charge of **\$75.00** shall apply per load.

d. **LOADING / UNLOADING SERVICE ADMINISTRATIVE CHARGE:** If Shipper requires Carrier to use a Lumper, Lumper Service, or other unloading service and Carrier is required to pay for the service, the cost of the service plus an additional administrative fee of **\$20** will be charged to the Shipper. **If Carrier is detained during loading and unloading detention charges will apply.**

8. **DIVERSION, RECONSIGNMENT, HOLDING, & REFUSAL CHARGE:** The term "Diversion" or "Reconsignment" refers to any instructions given by Shipper necessary to effect a change in the pickup or delivery of a truckload or any part of a truckload. When a consignee refuses to accept or rejects a shipment or part of a shipment, the Carrier will immediately notify Shipper by appropriate means (telephone, fax, e-mail, etc.). The Shipper will then instruct Carrier as to the disposition of the diverted, reconsigned, or refused goods.

The term "Holding" refers to instructions given by a Shipper that creates an early pickup or late delivery creating a reduction in driver and equipment productivity. This charge applies when additional transit time, beyond a reasonable transit time are created. Additionally, this charge will apply to loads less than 250 miles in total loaded length of haul (or subsequent transit sections between stops) with more than 12 hours between scheduled pick up and scheduled delivery, or to loads less than 500 miles in total loaded length of haul (or subsequent transit sections between stops) with more than 48 hours between scheduled pick up and scheduled delivery.

A charge of **\$350.00** shall apply for each shipment or partial shipment (pick up or delivery) that is reconsigned, held, or diverted. In addition, miles traveled by Carrier beyond the original pickup and delivery shall be charged for at **\$2.00** per mile.

Shipper shall pay all charges for storage at a facility designated by Shipper, and Carrier's liability shall cease upon delivery to facility. **Detention charges will apply where applicable.**

9. **TRUCK ORDERED AND NOT USED / INACCESSIBLE LOAD CHARGE:** When Carrier is requested by Shipper to furnish equipment and in accordance with these instructions dispatches a vehicle, and Shipper cancels service without a minimum of twenty-four (24) hours prior notice from scheduled pick up time, or through no fault of Carrier load is not accessible to Carrier, a charge of \$200.00 shall apply. In addition, any miles traveled by Carrier to the scheduled pickup location shall be charged for at \$2.00 per mile. **Detention charges will apply where applicable.**

10. **REPOSITIONING OF EQUIPMENT CHARGE:** When Shipper requests McLeod Express to provide equipment at a location where McLeod Express does not have readily available equipment, Carrier may elect to reposition equipment via the most practical route from a point mutually agreeable between the Shipper and McLeod Express. In addition, where Shipper and Carrier have agreed on a live load / unload (non-trailer pool location) and Carrier is asked by Shipper to drop trailer at no fault of Carrier repositioning charges will apply.

The charge of **\$2.00** per mile for locating and/or retrieving the equipment will be from point of last dispatch to pick up point, subject to a minimum charge of **\$150.00** and applicable fuel surcharge. **Detention charges will apply where applicable.**

11. **DUNNAGE / PALLET / OTHER DISPOSAL CHARGE:** When Carrier is required after delivery to dispose of dunnage, pallets, or any other related materials used in the shipments of goods or remaining from the shipment of goods, a charge of **\$150.00** will apply in addition to **\$2.00** per mile for any additional out of route miles incurred. **Detention charges will apply where applicable.**

12. **HOLIDAY PICK UP / DELIVERY CHARGE:** If Carrier is required to pick up or deliver freight on any federally recognized holiday; a charge of **\$250.00** will apply in addition to all other applicable charges.

13. **JOB SITE DELIVERY CHARGE:** When Carrier is required to deliver to a job site (under construction) an additional charge of **\$250.00** shall apply.
14. **NEW YORK SURCHARGE:** Shipments for final destination or stop off for loading or unloading in Zip Codes 100-119, shall be subject to a **\$500.00** fee per shipment.
15. **EXPEDITED SERVICE CHARGE:** When expedited service is requested by Shipper the rates and charges pertaining to the line haul portion of the charges will be increased by **10%**, **subject to a \$250 minimum charge.**
16. **HAZARDOUS MATERIAL CHARGE:** Shipments containing substance or material that has been classified by the Secretary of Transportation as hazardous material and requires placards pursuant to Table 2 of 49 CFR 172.504, are subject to an additional charge of **\$250.00.**
17. **FREEZE PROTECTION CHARGE:** If Carrier is required to provide freeze protection, and Carrier agrees in writing to provide specialized temperature control equipment, a charge of **\$250.00** will apply. This charge only applies if no specific Temperature Controlled rates have been agreed upon.
18. **SCALE CHARGE:** When Carrier is required to weigh equipment before loading and/or after loading and provide weight tickets, a charge of **\$80.00** shall apply unless the scale is located on Shipper or Consignee's property. In addition, any excess miles traveled by Carrier shall be charged for at **\$2.00** per mile.
19. **PALLET EXCHANGE CHARGE:** Should Carrier be required to exchange pallets with Shipper a charge of **\$10.00** per pallet shall apply with a minimum charge of **\$250.00.** In addition, any excess miles traveled by Carrier to pick up or return pallets shall be charged for at **\$2.00** per mile.
20. **TIRE CHAINING CHARGE:** Should Carrier be required by state law to use tire chains due to extreme weather conditions to ensure the safety of the motoring public a **\$400.00** charge will apply to each load.
21. **COLLECT ON DELIVERY (C.O.D.) CARGO CHARGE:** If Shipper requires C.O.D. for the value of the cargo a charge of **\$250.00** will apply in addition to all other charges.
22. **COLLECT ON DELIVERY (C.O.D.) FREIGHT CHARGE:** If Shipper requires C.O.D. for the freight charges **\$250.00** will apply in addition to all other charges.

23. **ORIGINAL DOCUMENT FEE CHARGE:** If Carrier is required by Shipper to furnish an original copy of load documentation a charge of **\$25.00** will apply. If Carrier is required by Shipper to furnish a copy of a signed Bill of Lading with the Carriers invoice, a charge of \$25.00 will be applied.

24. **LIMITATION OF LIABILITY:** The measure of damages incurred by Claimant and of McLeod Express's liability in all instances shall be the cost to the Shipper or Owner of replacing the goods lost or damaged, or the cost of repairing the goods, whichever is less, but in no case will McLeod Express assume any liability for cost of the property greater than **\$100,000.00** per truckload shipment. If Shipper wishes to release the cargo at a value exceeding this limit, a request must be submitted in writing with the stated release value, and agreed upon in writing by McLeod Express. An additional charge may apply for additional insurance.

In no event shall McLeod Express be liable for special, incidental, consequential damages for loss, damage or delay of cargo. Shipper is not authorized to move, and shall not authorize a third party to move, Carrier's equipment over public roadways without written authorization, which shall be in the form of Carrier's trailer interchange agreement. To the extent that liability arises out of Shipper's use (on public roadways or otherwise) or direction of such use of Carrier's trailer's, Shipper shall indemnify and hold harmless Carrier from any and all claims and liabilities, including costs and attorneys fees brought against Carrier.

In no event shall McLeod Express be liable for any damages greater than the insurance coverage issued to each customer.

## Appendix A - Fuel Surcharge Program

This addendum determines the rules of adjustments of freight rates due to changes in fuel prices.

### Adjustment Parameters

Price Source	<a href="http://www.eia.gov">www.eia.gov</a>
Base	Price per gallon for U.S. on-highway Diesel Fuel in USD
Base region	U.S. average
Adjustment Frequency	Weekly
Mileage	Documented lane specific in tender docs & contract
Base Fuel rate (per gal)	0.00 USD/gal
Surcharge dimension	USD/mile

### General Adjustment Rules

All net lane prices shall exclude fuel, since the fuel surcharge starts at 0.00 USD/gallon.

The fuel surcharge shall be reviewed and adjusted weekly, considering diesel price published by the U.S. Energy Information Administration usually on Monday on [www.eia.gov](http://www.eia.gov) or under +1 (202) 586-6966 (option #1).

The fuel surcharge in USD/mile will be applied as a separate line item to the freight bill and effective the day the weekly average diesel fuel price is published.

In case of missing published values the surcharge is based on the last published Diesel price.

### Overview of fuel prices published by [www.eia.com](http://www.eia.com) (examples)

Average Price of	7-13-2015	7-27-2015	8-10-2015	...
U.S. weekly Diesel (USD/gal)	2.814	2.723	2.617	...
FTL Surcharge (USD/mile)*	\$0.47	\$0.46	\$0.44	0

\*see Diesel fuel surcharge table below

For fuel prices exceeding 6.000 USD/gal the surcharge will continue to increase 0.010 USD/mile for every 0.060 USD/gallon increase.



# Appendix A - Fuel Surcharge Program (cont.)

OTR Diesel Fuel Surcharge Table

Diesel Fuel Prices per gallon		Surcharge
from	to	per mile
\$0.000	- \$0.060	\$0.01
\$0.061	- \$0.120	\$0.02
\$0.121	- \$0.180	\$0.03
\$0.181	- \$0.240	\$0.04
\$0.241	- \$0.300	\$0.05
\$0.301	- \$0.360	\$0.06
\$0.361	- \$0.420	\$0.07
\$0.421	- \$0.480	\$0.08
\$0.481	- \$0.540	\$0.09
\$0.541	- \$0.600	\$0.10
\$0.601	- \$0.660	\$0.11
\$0.661	- \$0.720	\$0.12
\$0.721	- \$0.780	\$0.13
\$0.781	- \$0.840	\$0.14
\$0.841	- \$0.900	\$0.15
\$0.901	- \$0.960	\$0.16
\$0.961	- \$1.020	\$0.17
\$1.021	- \$1.080	\$0.18
\$1.081	- \$1.140	\$0.19
\$1.141	- \$1.200	\$0.20
\$1.201	- \$1.260	\$0.21
\$1.261	- \$1.320	\$0.22
\$1.321	- \$1.380	\$0.23
\$1.381	- \$1.440	\$0.24
\$1.441	- \$1.500	\$0.25
\$1.501	- \$1.560	\$0.26
\$1.561	- \$1.620	\$0.27
\$1.621	- \$1.680	\$0.28
\$1.681	- \$1.740	\$0.29
\$1.741	- \$1.800	\$0.30
\$1.801	- \$1.860	\$0.31
\$1.861	- \$1.920	\$0.32
\$1.921	- \$1.980	\$0.33
\$1.981	- \$2.040	\$0.34
\$2.041	- \$2.100	\$0.35
\$2.101	- \$2.160	\$0.36
\$2.161	- \$2.220	\$0.37
\$2.221	- \$2.280	\$0.38
\$2.281	- \$2.340	\$0.39
\$2.341	- \$2.400	\$0.40
\$2.401	- \$2.460	\$0.41
\$2.461	- \$2.520	\$0.42
\$2.521	- \$2.580	\$0.43
\$2.581	- \$2.640	\$0.44
\$2.641	- \$2.700	\$0.45
\$2.701	- \$2.760	\$0.46
\$2.761	- \$2.820	\$0.47
\$2.821	- \$2.880	\$0.48
\$2.881	- \$2.940	\$0.49
\$2.941	- \$3.000	\$0.50

Diesel Fuel Prices per gallon		Surcharge
from	to	per mile
\$3.001	- \$3.060	\$0.51
\$3.061	- \$3.120	\$0.52
\$3.121	- \$3.180	\$0.53
\$3.181	- \$3.240	\$0.54
\$3.241	- \$3.300	\$0.55
\$3.301	- \$3.360	\$0.56
\$3.361	- \$3.420	\$0.57
\$3.421	- \$3.480	\$0.58
\$3.481	- \$3.540	\$0.59
\$3.541	- \$3.600	\$0.60
\$3.601	- \$3.660	\$0.61
\$3.661	- \$3.720	\$0.62
\$3.721	- \$3.780	\$0.63
\$3.781	- \$3.840	\$0.64
\$3.841	- \$3.900	\$0.65
\$3.901	- \$3.960	\$0.66
\$3.961	- \$4.020	\$0.67
\$4.021	- \$4.080	\$0.68
\$4.081	- \$4.140	\$0.69
\$4.141	- \$4.200	\$0.70
\$4.201	- \$4.260	\$0.71
\$4.261	- \$4.320	\$0.72
\$4.321	- \$4.380	\$0.73
\$4.381	- \$4.440	\$0.74
\$4.441	- \$4.500	\$0.75
\$4.501	- \$4.560	\$0.76
\$4.561	- \$4.620	\$0.77
\$4.621	- \$4.680	\$0.78
\$4.681	- \$4.740	\$0.79
\$4.741	- \$4.800	\$0.80
\$4.801	- \$4.860	\$0.81
\$4.861	- \$4.920	\$0.82
\$4.921	- \$4.980	\$0.83
\$4.981	- \$5.040	\$0.84
\$5.041	- \$5.100	\$0.85
\$5.101	- \$5.160	\$0.86
\$5.161	- \$5.220	\$0.87
\$5.221	- \$5.280	\$0.88
\$5.281	- \$5.340	\$0.89
\$5.341	- \$5.400	\$0.90
\$5.401	- \$5.460	\$0.91
\$5.461	- \$5.520	\$0.92
\$5.521	- \$5.580	\$0.93
\$5.581	- \$5.640	\$0.94
\$5.641	- \$5.700	\$0.95
\$5.701	- \$5.760	\$0.96
\$5.761	- \$5.820	\$0.97
\$5.821	- \$5.880	\$0.98
\$5.881	- \$5.940	\$0.99
\$5.941	- \$6.000	\$1.00