

## **Pulse COT Program FAQs - Overview**

**Q. Your general COT program opens 14 weeks in advance of possible want dates. I can't predict the cars that I actually need that far in advance and I have been told that I will have to order cars 14 weeks in advance. Is that true?**

**A.** No. The new Pulse COT program is very flexible. There are two steps to obtaining your cars:

The first step is **reserving**, which means you reserve Pulse COTs to let BNSF know that you will need a certain number of cars for a period. You can reserve your Pulse COTs any time between 14 weeks and 10 days prior to the start of the shipping period.

The second step is **ordering** cars, which means you "redeem" the Pulse COTs you have reserved to let BNSF know when you need to have the cars you reserved to be delivered to you. You can order the cars you reserved any time between 1 month and 1 business day prior to the start of the shipping period.

Additionally, BNSF will guarantee your car delivery if you order your cars between 1 month and 10 days prior to the start of the shipping period. Afterwards, you can still order cars up to 1 business day prior to the start of the shipping period, however the order will not be guaranteed.

**Q. What is a shipping period?**

**A.** Each month is divided into three shipping periods: First, middle and last. Each period corresponds to the first ten, second ten, and remaining days of each month.

**Q. If I wait to reserve until 10 days prior to start of the shipping period, will cars still be available?**

**A.** We have created a separate pool of cars for qualified pulse shippers. To ensure there are enough cars available, we take into consideration the actual usage in the previous year and the forecasted production for the current year. We have also taken additional steps to ensure customers would not be able to order more cars than their spot capacity.

**Q. In the general COT program, you require a \$200 down payment. My business cannot afford that.**

**A.** No down payment or reservation fee is required for shippers who qualify for the new Pulse COT program.

**Q. What happens if BNSF delivers my cars late?**

**A.** Under the new Pulse COT program you may claim a \$200 per car non-performance payment for cars not placed within 15 days of your want date.

**Q. Can I trade or purchase cars in the secondary market like shippers do today in the traditional COT program?**

**A.** Although Pulse COTs are not eligible for transfer as part of traditional COT secondary market, Pulse shippers can transfer Pulse COTs to other qualified pulse shippers. BNSF will not charge a handling fee for routine transfers, but will need to be notified of the transfers.

**Q. Can I change the want date within the shipping period?**

**A.** Yes. However, the earlier you select your want date the more likely BNSF will be able to honor it. Later changes are subject to availability.

**Q. Can I “roll over” my Pulse COTs to order cars for another period?**

**A.** No. If a Pulse shipper reserves Pulse COTs for a specified shipping period but does not order cars (“redeem” Pulse COTs) for that period, the Pulse COTs will be cancelled.

**Q. What if I cancel a car?**

**A.** If you reserve a Pulse COT but don’t order a car (don’t redeem your Pulse COT), there is a \$50 fee per unordered car.

If you order a car (redeem your Pulse COT) and then cancel it, there is a \$100 fee per cancelled car.

**Q: When will the Pulse COT program start?**

**A.** June 1, 2011. Starting June 1, you can begin doing the following:

Reserve Pulse COTs for the first shipping period of July through the last shipping period of October. October is more than 14 weeks in advance but this is due to the startup timing of the program.

Order cars (redeem Pulse COTs that you ordered) for the three July shipping periods.

**Example:** Pulse shipper needs cars on October 30<sup>th</sup>.

<b>Steps</b>	<b>Dates</b>
Reserve Pulse COTs	June 1 – October 11
Order cars (redeem reserved Pulse COTs) <i>For guaranteed delivery</i> <i>No guaranteed delivery</i>	September 30 – October 20 <i>September 30 – October 11</i> <i>October 12 – October 20</i>

If no order is placed by October 21, Pulse COTs will be canceled for the period.

# Pulse COT Program

