

## Explanation of Barge Rates

The U.S. Inland Waterway System utilizes a percent of tariff system to establish barge freight rates. The tariffs were originally from the Bulk Grain and Grain Products Freight Tariff No. 7, which were issued by the Waterways Freight Bureau (WFB) of the Interstate Commerce Commission (ICC). In 1976, the United States Department of Justice entered into an agreement with the ICC and made Tariff No. 7 no longer applicable. Today, the WFB no longer exists and the ICC has become the Surface Transportation Board of the United States Department of Transportation. However, the barge industry continues to use the tariffs as benchmarks as rate units.

To calculate the rate in dollars per ton, multiply the percent of tariff rate by the 1976 benchmark. As an example, a 200 percent tariff for Minneapolis-St. Paul barge grain would equal 2.00 times the benchmark rate of \$6.19, or \$12.38 per ton.

Each city on the river has its own bench mark (see table below), with the northern most cities having the highest benchmarks.

BENCHMARK	RATE	PORTS INCLUDED.....
TWC TWIN CITIES	619	Minneapolis, St. Paul, Red Wing, Shakopee, Winona, MN
MM MID-MISS	532	Albany, Keithsburg, New Boston, Rock Island, IL Clinton, Davenport, Muscatine, IA
ST. LOUIS	399	Alton, Chester. E. St. Louis, Faults, IL, Cape Girardeau, St Louis, MO
ILLINOIS	464	Beardstown, Florence, Hardin, Havana, Meredosia, IL
CINC	469	Cincinnati
LOWER OHIO	446	Louisville, KY
CAIRO-MEM	314	Birds Point, Linda, New Madrid, MO, Hickman, KY, Cairo, IL