MERIDIAN SOUTHERN RAILWAY, LLC

FREIGHT TARIFF MDS 8000-A

(Cancels Freight Tariffs MDS 8000, 8001 and 8002)

NAMING

MISCELLANEOUS RULES AND CHARGES,

SWITCHING, DEMURRAGE AND STORAGE RULES AND CHARGES,

AND

LOCAL AND PROPORTIONAL RATES

APPLYING

FROM, TO AND AT STATIONS ON THE

MERIDIAN SOUTHERN RAILWAY, LLC

LOCAL TARIFF

This tariff is also applicable on intrastate traffic, except where expressly provided to the contrary in connection with particular rates and provisions contained herein.

ISSUED: OCTOBER 27, 2005 EFFECTIVE: November 17, 2005

ISSUED BY

Eric B. Lee, President & CEO Meridian Southern Railway, LLC 25 Delphine Street Owego, NY 13827

RULES AND OTHER GOVERNING PROVISIONS GENERAL RULES AND REGULATIONS

CANCELLATION NOTICE

Freight Tariff MDS 8000-A cancels Freight Tariffs MDS 8000, 8001 and 8002-series, and any and all other corresponding conflicting provisions.

Provisions formerly shown in Freight Tariffs MDS 8000, 8001 and 8002 and not brought forward herein are hereby canceled.

ITEM 10

REFERENCE TO TARIFFS, ITEMS, NOTES, RULES, ETC.

Where reference is made in this tariff to tariffs, items, notes, rules, etc., such references are continuous and include supplements to and successive issues of such tariffs and reissues of such items, notes, rules, etc.

ITEM 20

METHOD OF CANCELING ITEMS

As this tariff is supplemented, numbered items with letter suffixes cancel corresponding numbered items in the original tariff or in a prior supplement. Letter suffixes will be used in alphabetical sequence starting with A.

Example: Item 445-A cancels Item 445 and Item 365-B cancels Item 365-A in a prior supplement which in turn canceled Item 365.

ITEM 30 SUPPLEMENTS AND REISSUES

When reference is made in this tariff, or supplements, to other publications for rates or other information, it includes "Supplements thereto or successive issues thereof."

Where reference is made in this tariff to items, it includes "reissues" of such items.

SECTION 1 MISCELLANEOUS RULES AND CHARGES

ITEM 100

FUEL RECOVERY SURCHARGE

In the event that the average price of West Texas Intermediate Crude Oil (as set forth below, the "WTI Average Price"), calculated monthly based on prices published in the Wall Street Journal, exceeds \$23.00 per barrel, the MDS reserves the right to apply a fuel surcharge to those charges in this tariff for the movement of cars in switching or any other service (as well as movement or locomotives from or to storage), including linehaul rates. The fuel surcharge will be 0.4 percent for every \$1.00 per barrel, or portion thereof, by which the WTI Average Price exceeds \$23.00.

If this right is exercised, the fuel surcharge shall be applied to charges for movements on or after the 1st day of the second calendar month following the calendar month of a given WTI Average Price calculation.

The WTI Average Price for a given calendar month will be determined by adding the daily West Texas Intermediate Crude Oil prices published in the Wall Street Journal during a calendar month, and dividing the result by the number of days so published. If the Wall Street Journal ceases publication of the price of West Texas Intermediate Crude Oil, MDS will employ a suitable substitute source of price or measure. The following schedule reflects the applicable fuel surcharges within the WTI Average Price ranges noted below:

****** A

WTI Average Price Per Barrel		Fuel Surcharge	WTI Average Price Per Barrel		Fuel Surcharge
Between	And	Percentage	Between	And	Percentage
\$23.00 -	Below	0.0%	\$42.01	- \$43.00	0 8.0%
\$23.01 -	\$24.00	0.4%	\$43.01	- \$44.00	0 8.4%
\$24.01 -	\$25.00	0.8%	\$44.01	- \$45.00	0 8.8%
\$25.01 -	\$26.00	1.2%	\$45.01	- \$46.00	0 9.2%
\$26.01 -	\$27.00	1.6%	\$46.01	- \$47.00	9.6%
\$27.01 -	\$28.00	2.0%	\$47.01	- \$48.00	0 10.0%
\$28.01 -	\$29.00	2.4%	\$48.01	- \$49.00	0 10.4%
\$29.01 -	\$30.00	2.8%	\$49.01	- \$50.00	0 10.8%
\$30.01 -	\$31.00	3.2%	\$50.01	- \$51.00	0 11.2%
\$31.01 -	\$32.00	3.6%	\$51.01	- \$52.00	0 11.6%
\$32.01 -	\$33.00	4.0%	\$52.01	- \$53.00	0 12.0%
\$33.01 -	\$34.00	4.4%	\$53.01	- \$54.00	0 12.4%
\$34.01 -	\$35.00	4.8%	\$54.01	- \$55.00	0 12.8%
\$35.01 -	\$36.00	5.2%	\$55.01	- \$56.00	0 13.2%
\$36.01 -	\$37.00	5.6%	\$56.01	- \$57.00	0 13.6%
\$37.01 -	\$38.00	6.0%	\$57.01	- \$58.00	0 14.0%
\$38.01 -	\$39.00	6.4%	\$58.01	- \$59.00	0 14.4%
\$39.01 -	\$40.00	6.8%	\$59.01	- \$60.00	0 14.8%
\$40.01 -	\$41.00	7.2%	\$60.01 a	ind Above	e *
\$41.01 -	\$42.00	7.6%			

* - The Fuel Surcharge will be 14.8%, plus an additional 0.4% of the line haul freight charge for every \$1.00 per barrel, or portion thereof, by which the WTI Average Price exceeds \$60.00.

In no case will freight charge(s) be reduced below the Base Freight Charge(s) as a result of this item, nor will the application or removal of the fuel surcharge be retroactive.

SECTION 1 MISCELLANEOUS RULES AND CHARGES

ITEM 110

HAZARDOUS MATERIALS

Shipments of Hazardous Materials will not be accepted in interchange unless prior arrangements have been made with the MDS.

ITEM 120

CARS INTERCHANGED IN ERROR

A charge of \$300.00 per car will be assessed delivering carriers on all cars interchanged to the MDS in error.

ITEM 130

EMPTY CARS ORDERED BUT NOT LOADED

On empty cars that are ordered for loading and order is canceled and car is in route, or the service of switching or placing of car has been performed and the car is not loaded but returned to this railroad empty, a charge of \$300.00 per car will be assessed and collected from the person, firm or corporation ordering such cars. (See Note, this item.)

Note - Charge will not apply on cars unfit for loading, see Item 135, this tariff.)

ITEM 135

IMPROPER CARS FURNISHED FOR LOADING BY CONNECTING LINES

When cars ordered by industries for loading are refused on account of not being in proper condition to load, a charge of \$300.00 per car will be assessed against the railroad furnishing the car.

ITEM 140

DIMENSIONAL SHIPMENTS AND SHIPMENTS EXCEEDING 263,000 LBS. SHIPMENT

The MDS will not accept in interchange shipments of excessive dimensions, nor shipments exceeding 263,000 lbs. gross weight (car and lading). A charge of \$500.00 per car will be assessed delivering carrier for the return and/or setback of such cars interchanged to the MDS.

SECTION 1 MISCELLANEOUS RULES AND CHARGES

ITEM 145

PERISHABLES

The MDS does not provide protective service. Perishable freight under protective service will be accepted from connecting railroad for delivery to Customers with the understanding that protective service is not provided by the MDS and the MDS accepts no liability for any loss or damage resulting from failure of such protective service.

ITEM 150

TURNING OF CARS TO PERMIT LOADING OR UNLOADING. ETC.

If cars are turned at request of customer to facilitate loading or unloading, or for any other purpose, a charge of \$300.00 per car per occurrence will be assessed and will be in addition to all other applicable charges. (See Note, this item.)

Note - Charge will not apply to properly placarded boxcars.

ITEM 160

SPECIAL FREIGHT TRAIN SERVICE

Special Freight Train Service is the movement of a train in other than normal freight train service at the specific request of the shipper or consignee, or as may be required due to other conditions outside normal train operations.

The charge for special freight train service will be \$3,500.00 per occurrence, and will be in addition to all other charges associated with the movement.

Charges to be calculated from the time the crew and locomotive report for special service until the return of crew and locomotive to starting point.

(This railroad reserves the right to restrict or modify any request for special freight train service.)

SECTION 1 MISCELLANEOUS RULES AND CHARGES

ITEM 170

STANDBY SERVICE

When the MDS' locomotive and crew are held at the request of an industry or delayed by an industry within the confines of the industry or immediately adjacent thereto, the charge for such standby or delay shall be \$750.00 per hour or fraction thereof. Such charges shall be in addition to other published charges, if any, applicable to cars delayed or handled.

ITEM 180

OVERLOADED CARS

Cars found to be overloaded will be subject to the following additional charges:

- (1) \$400 per car When a car is discovered to be overloaded at loading point or within the confines of the industry. Charge to be assessed consignor.
- (2) \$500.00 per car When a car is discovered to be overloaded beyond loading point or confines of the industry. Charge to be assessed consignor.
 - (It will be the responsibility of the consignor to adjust the lading at their own expense sufficient to eliminate the overload condition.)
- (3) \$500.00 per car When a car is received in interchange from connections and is found to be overloaded, such car will be returned to delivering carrier for adjustment to lading to eliminate the overload condition. Charge to be assessed delivering carrier.

SECTION 2 SWITCING RULES AND CHARGES

ITEM 200

DEFINITION OF INTRA-PLANT SWITCHING

A switching movement from one track to another within the same plant or industry, or from one location to another location on the same track within the same plant or industry.

ITEM 210

ADDITIONAL SWITCHING

Additional switching is a switch movement after car has been initially placed on public, private or assigned sidings, or on storage or interchange tracks.

ITEM 220

INTRA-PLANT SWITCHING CHARGE

The MDS will perform intra-plant switching at a charge of \$300.00 per car.

ITEM 230

ADDITIONAL SWITCHING CHARGE

The MDS will perform additional switching at a charge of \$300.00 per car.

SECTION 3 CAR DEMURRAGE RULES AND CHARGES

APPLICATION

Except where provided to the contrary, Demurrage Rules and Charges contained herein apply to all railroad and privately-owned cars held for or by consignors and consignees for any purpose.

ITEM 300

HOLIDAYS

Wherever reference is made to "holidays," it shall mean only the days listed below:

New Year's Day - January 1 (See Note 1) Washington's Birthday - Third Monday of February Memorial Day - Last Monday of May Independence Day - July 4 (See Note 1) Labor Day - First Monday of September Thanksgiving Day - Fourth Thursday of November Christmas Day - December 25 (See Note 1)

Note 1 - When this date occurs on a Sunday, the following Monday will be observed as the holiday.

ITEM 310

ACTUAL PLACEMENT

Actual Placement is made when a car is placed in an accessible position for loading or unloading or at a point previously designated by the consignor or consignee.

ITEM 320

CONSTRUCTIVE PLACEMENT

When a car consigned or ordered to a private track, industrial interchange track or other-than-public-delivery track cannot be actually placed because of a condition attributable to the consignor or consignee, such car will be held at available hold point and notice shall be sent or given the consignor or consignee that the car is being held and that this railroad is unable to effect placement; however, if car is placed on private track, industrial interchange track or other-than-public delivery track serving the consignor or consignee, the car will be considered constructively placed without notice.

SECTION 3 CAR DEMURRAGE RULES AND CHARGES

ITEM 330

FREE TIME

Free time as follows will be allowed for each car:

Forty-Eight (48) hours to complete unloading.

Twenty-Four (24) hours to complete loading.

Free time will be computed from the first 7:00 AM after placement, or after notification has been sent or given where required. For the purpose of computing free time, Saturdays, Sundays and holidays will be excluded.

ITEM 340

DEMURRAGE CHARGES

After expiration of free time allowed the following charges per car per day, or fraction of a day, will be made until car is released.

\$30.00 for each of the first two chargeable days,

\$40.00 for each of the next two days,

\$60.00 for each subsequent day.

The applicable charge will accrue on all Saturdays, Sundays and holidays subsequent to the first chargeable day, including a Saturday, Sunday or holiday immediately following the day on which the first chargeable day begins to run.

Note 1: Not applicable on privately-owned cars on private tracks.

Note 2: Privately-owned cars which are first held on railroad tracks under constructive placement will be subject to demurrage charges provided for herein after expiration of free time (See Item 330) until such time car is placed on private tracks.

SECTION 4 STORAGE RULES AND CHARGES

ITEM 400

STORAGE OF CARS AND LOCOMOTIVES

The MDS will store cars, loaded or empty, and locomotives, subject to the following storage charges to be computed from date placed on storage track until released from storage:

Loaded cars - \$30.00 per car per class or fraction of a day.

Empty cars - \$10.00 per car per day or fraction of

a day.

Locomotives- \$20.00 per unit per day or fraction of

a day.

ITEM 410

MOVING CARS AND LOCOMOTIVES TO AND FROM STORAGE TRACKS

The MDS will assess a charge of \$400.00 per car/unit for moving cars and locomotives to storage tracks, and \$400.00 per car/unit for removing cars and locomotives from storage tracks.

SECTION 5 LOCAL AND PROPORTIONAL RATES

IITEM 500

(Rates in dollars and cents per car, except as noted)

Commodity	Origin	Destination	Rate	Route
Freight, all kinds, ex- cept where specific rates are provided for in Items 510 and 520	MDS Stations, except as provided for in Items 510 and 520	MDS Stations, except as provided for in Items 510 and 520	\$600.00	1

Explanation of Route:

1 - MDS direct.

SECTION 5 LOCAL AND PROPORTIONAL RATES

IITEM 510

(Rates in dollars and cents per car, except as noted)

Commodity	Origin	Destination	Rate	Route
Grain, all kinds	Meridian, MS	MDS Stations	\$750.00	1
Soybean Meal			\$750.00	1
Plastic pellets			\$750.00	1
Roofing granules			\$400.00	1
Powdered limestone			\$400.00	1
Particle board			\$500.00	1
All others			\$750.00	1

Explanation of Route:

1 - MDS direct.

ITEM 520

(Rates in dollars and cents per car, except as noted)

Commodity	Origin	Destination	Rate	Route
Lumber, all kinds	MDS Stations	Meridian, MS	\$700.00	1
Pulpwood - long	MDS Stations		\$400.00	1
Pulpwood - short	MDS Stations		\$400.00	1
Woodchips	Meridian, MS		\$400.00	1
	Quitman, MS		\$400.00	1
	Waynes- boro, MS		\$400.00	1
All others	MDS Stations		\$750.00	1

Explanation of Route:

1 - MDS direct.

FT MDS 8000-A

EXPLANATION OF ABBREVIATIONS AND	
REFERENCE MARKS	
FT - Freight Tariff MDS - Meridian Southern Railway, LLC	
MDS - Meridian Southern Railway, LLC	
[A] - Addition	
[I] - Increase	
 [A] - Addition [I] - Increase [NC] - Brought forward without change [R] - Reduction 	
[R] - Reduction	
	1