

SUPPLEMENT
TO
FT MDS 8000-A

MERIDIAN SOUTHERN RAILWAY, LLC

SUPPLEMENT 2 TO FREIGHT TARIFF MDS 8000-A

(Supplements 1 and 2 contain all changes)

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: FEBRUARY 25, 2008

EFFECTIVE: FEBRUARY 25, 2008

ISSUED BY

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

SUPPLEMENT 2 TO FT MDS 8000-A

SECTION 1 MISCELLANEOUS RULES AND CHARGES					
ITEM 100-A					
[C]					
FUEL RECOVERY SURCHARGE					
(Applicable only on exempt traffic, and traffic moving under contracts making reference to this item)					
<p>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 line-haul 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.</p> <p>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.</p> <p>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:</p>					
WTI Average Price Per Barrel	Fuel Surcharge	WTI Average Price Per Barrel	Fuel Surcharge		
<u>Between</u>	<u>And</u>	<u>Percentage</u>	<u>Between</u>	<u>And</u>	<u>Percentage</u>
\$23.00 -	Below	0.0%	\$48.01 -	\$49.00	10.4%
\$23.01 -	\$24.00	0.4%	\$49.01 -	\$50.00	10.8%
\$24.01 -	\$25.00	0.8%	\$50.01 -	\$51.00	11.2%
\$25.01 -	\$26.00	1.2%	\$51.01 -	\$52.00	11.6%
\$26.01 -	\$27.00	1.6%	\$52.01 -	\$53.00	12.0%
\$27.01 -	\$28.00	2.0%	\$53.01 -	\$54.00	12.4%
\$28.01 -	\$29.00	2.4%	\$54.01 -	\$55.00	12.8%
\$29.01 -	\$30.00	2.8%	\$55.01 -	\$56.00	13.2%
\$30.01 -	\$31.00	3.2%	\$56.01 -	\$57.00	13.6%
\$31.01 -	\$32.00	3.6%	\$57.01 -	\$58.00	14.0%
\$32.01 -	\$33.00	4.0%	\$58.01 -	\$59.00	14.4%
\$33.01 -	\$34.00	4.4%	\$59.01 -	\$60.00	14.8%
\$34.01 -	\$35.00	4.8%	\$60.01 -	\$61.00	15.2%
\$35.01 -	\$36.00	5.2%	\$61.01 -	\$62.00	15.6%
\$36.01 -	\$37.00	5.6%	\$62.01 -	\$63.00	16.0%
\$37.01 -	\$38.00	6.0%	\$63.01 -	\$64.00	16.4%
\$38.01 -	\$39.00	6.4%	\$64.01 -	\$65.00	16.8%
\$39.01 -	\$40.00	6.8%	\$65.01 -	\$66.00	17.2%
\$40.01 -	\$41.00	7.2%	\$66.01 -	\$67.00	17.6%
\$41.01 -	\$42.00	7.6%	\$67.01 -	\$68.00	18.0%
\$42.01 -	\$43.00	8.0%	\$68.01 -	\$69.00	18.4%
\$43.01 -	\$44.00	8.4%	\$69.01 -	\$70.00	18.8%
\$44.01 -	\$45.00	8.8%	\$70.01 -	\$71.00	19.2%
\$45.01 -	\$46.00	9.2%	\$71.01 -	\$72.00	19.6%
\$46.01 -	\$47.00	9.6%	\$72.01 -	\$73.00	20.0%
\$47.01 -	\$48.00	10.0%	\$73.01 -	\$74.00	20.4%
(Continued in next column)					

SECTION 1 MISCELLANEOUS RULES AND CHARGES					
ITEM 100-A (Cont'd)					
[C]					
FUEL RECOVERY SURCHARGE					
(Applicable only on exempt traffic, and traffic moving under contracts making reference to this item)					
WTI Average Price Per Barrel	Fuel Surcharge	WTI Average Price Per Barrel	Fuel Surcharge		
<u>Between</u>	<u>And</u>	<u>Percentage</u>	<u>Between</u>	<u>And</u>	<u>Percentage</u>
\$74.01 -	\$75.00	20.8%	\$87.01 -	\$88.00	26.0%
\$75.01 -	\$76.00	21.2%	\$88.01 -	\$89.00	26.4%
\$76.01 -	\$77.00	21.6%	\$89.01 -	\$90.00	26.8%
\$77.01 -	\$78.00	22.0%	\$90.01 -	\$91.00	27.2%
\$78.01 -	\$79.00	22.4%	\$91.01 -	\$92.00	27.6%
\$79.01 -	\$80.00	22.8%	\$92.01 -	\$93.00	28.0%
\$80.01 -	\$81.00	23.2%	\$93.01 -	\$94.00	28.4%
\$81.01 -	\$82.00	23.6%	\$94.01 -	\$95.00	28.8%
\$82.01 -	\$83.00	24.0%	\$95.01 -	\$96.00	29.2%
\$83.01 -	\$84.00	24.4%	\$96.01 -	\$97.00	29.6%
\$84.01 -	\$85.00	24.8%	\$97.01 -	\$98.00	30.0%
\$85.01 -	\$86.00	25.2%	\$98.01 -	\$99.00	30.4%
\$86.01 -	\$87.00	25.6%	\$99.01 and Above		*
<p>* - The Fuel Surcharge will be 30.4%, 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 \$99.00.</p> <p>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.</p>					
[C] - Change in wording resulting in neither an increase or decrease in charges.					
(Underscored portion denotes addition)					

For explanation of terms and explanation of abbreviations and reference marks, see last page of tariff.