

Montreal, Maine & Atlantic Railway, Ltd.

Amendment 2

Amendments 1 and 2 contain all changes.

CONDITIONS OF CARRIAGE

TERMS AND CONDITIONS

FOR

RAIL TRANSPORTATION OF COMMODITIES

VIA

Montreal, Maine & Atlantic Railway, Ltd.

ISSUED: May 30, 2008

EFFECTIVE: July 1, 2008

ISSUED BY:
Montreal, Maine & Atlantic Railway, Ltd.
15 Iron Road,
Hermon, ME 04401-9621

RULES

RULE 255 – FUEL SURCHARGE: BASED ON HIGHWAY DIESEL FUEL

APPLICATION: Unless otherwise agreed to in writing this publication applies to: (1) all deregulated common carrier line haul freight rates for traffic originated on MMA which exists or is established by MMA on or after July 1, 2008.

In the event that the monthly average price per gallon of highway diesel fuel (as determined below, the (“HDF Average Price”) exceeds a base price of 3.30 per gallon, MMA will apply a percentage-based fuel surcharge to the line haul rates and charges described above.

The “HDF Average Price” for a month will be the average price for that month of U.S. No. 2 Diesel Retail Sales by U.S. Sellers, as determined and published by the U.S. Department of Energy, Energy Information Administration (“DOE-EIA”)¹. That average price will, in calculating the HDF Average Price, be rounded to the nearest 1/10th of a cent applying conventional rounding principles. The fuel surcharge will be a .5% adjustment for every 5 cents per gallon, or portion thereof, by which HDF Average Price for the calendar month two months prior to the calendar month of shipment exceeds 3.30 cents per gallon. As an example, the fuel surcharge in the month of June will be based on the average monthly price of HDF for the month of April.

If DOE-EIA ceases publication of the above information, MMA will employ a suitable substitute source of price or measure.

The following table reflects a sampling of the fuel surcharge within the included HDF Average Price ranges.

(Continued on the following page)

¹

The referenced DOE-EIA publication can currently be found at www.eia.doe.gov. On the home page select “Petroleum;” under “prices” select “Weekly Retail Gasoline and Diesel Prices;” for the “Area” select “U.S.”; for the “Period” select “Monthly;” then refer to the data on the entitled “Diesel (On-Highway).” Monthly data is normally published Wednesday after the last Monday of a given month.

EFFECTIVE: JULY 1, 2008

ISSUED BY
MONTREAL, MAINE & ATLANTIC RAILWAY, LTD
15 IRON ROAD
HERMON, MAINE 04401

MMA CONDITIONS OF CARRIAGE

AMENDMENT NO. 2 RULES

(Rule 255 - Continued)

United States Highway Diesel Fuel (USHDF)	Fuel Surcharge
\$3.300 - \$3.349	0
\$3.350 - \$3.399	.5%
\$3.400 - \$3.449	1%
\$3.450 - \$3.499	1.5%
\$3.500 - \$3.549	2%
\$3.550 - \$3.599	2.5%
\$3.600 - \$3.649	3%
\$3.650 - \$3.699	3.5%
\$3.700 - \$3.749	4%
\$3.750 - \$3.799	4.5%
\$3.800 - \$3.849	5%
\$3.850 - \$3.899	5.5%
\$3.900 - \$3.949	6%
\$3.950 - \$3.999	6.5%
\$4.000 - \$4.049	7%
\$4.050 - \$4.099	7.5%
\$4.100 - \$4.149	8%
\$4.150 - \$4.199	8.5%
\$4.200 - \$4.249	9%
\$4.250 - \$4.299	9.5%
\$4.300 - \$4.349	10%
\$4.350 - \$4.399	10.5%
\$4.400 - \$4.449	11%
\$4.450 - \$4.499	11.5%
\$4.500 - \$4.549	12%
Additional .5% for each \$.05 per Gallon increase in USHDF	

EXAMPLE:

1. The Fuel Surcharge rate will be recalculated for each subsequent calendar month, as outlined above.
2. Any Fuel Surcharge to be applied under this authority will be removed or reduced when the "HDF Average Price" remains below the price which triggers a specific surcharge amount for the prior time period. In no case will the freight charge be reduced below the Base Price nor will the application or removal of the Fuel Surcharge be retroactive.

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