MINUTES OF JANUARY 30, 2008 MEETING OF THE RAILROAD-SHIPPER TRANSPORTATION ADVISORY COUNCIL

The Railroad Shipper Transportation Advisory Council (the “Council”), pursuant to notice, held a meeting on January 30, 2008 in the Hearing Room of the Surface Transportation Board, 395 E Street, SW, Washington DC. The meeting was called to order at 8am.

The following members were present: Robert Pugh, Georgia-Pacific; Dean Piacente, CSX Transportation; Charles Marshall, Farmrail; Terry Voss, Ag. Processing; Eric Butler, Union Pacific Railroad; Roger Fray, West Central Cooperative; Charles D. Nottingham, Surface Transportation Board; W. Douglas Buttrey, Surface Transportation Board; Francis P. Mulvey, Surface Transportation Board; Scott Greene, Federal Railroad Administration; Rick Webb, Watco Companies; D. J. Kratzberg, Exxon Mobil; and Owen Zidar, Kansas City Southern. Connie Thede, Muscatine Power & Water and Reilly McCarren, Arkansas and Missouri Railroad attended by conference call. Bruce Ridley, Packaging Corporation of America was not present.

I. Opening Remarks

- Opening remarks given by Chairman Nottingham, Vice Chairman Mulvey and Board Member Buttrey

II. Financial Update

- Reviewed bank account information
- Reviewed 2008 Dues

III. Council Business

- Reviewed and approved posting of minutes of October 17, 2007 meeting on STB website
- Discussed creation of 2007 Annual Report

IV. General Discussion

- Chairman Nottingham
  - High level of STB activity noted
  - Multiple congressional hearings planned requiring STB testimony
  - Several cases pending before the Board
  - Two merger cases pending (CP-DM&E, CN-EJ&E)
- Vice Chairman Mulvey
  - Importance of Small Rate Case Test
- Surface Transportation Board office of General Counsel
  - Jeff Komorow, STB General Counsel
    - Explored definition of appropriate discussions with Board Members
- Railroad Accessorial Charges
  - Discussed effect on customers
    - Communication a concern
    - Need to improve process
  - Response
• Discussed various Class I systems

• Common Carrier Obligation
  o Discussed asking STB for assistance in defining common carrier obligation

• Impact of regulatory uncertainty on rail industry and Customers
  o Discussed micro and macro view

• Cost of Capital Standards
  o Surface Transportation Board’s efforts to change
  o Potential effect on railroad earnings and capital investment
    • Discussed impact on both customers and railroads

V. RSTAC Shipper Survey Results

• Reviewed survey comments
  o Service, rates and track conditions largest issues
  o Results will be summarized and dispersed to RSTAC members
  o Develop plan for RSTAC members to respond to survey contributors
  o Explore creation of electronic survey

VI. Setting of RSTAC 2008 Goals

• Improve communications at all stages
• Assist STB office of Consumer Affairs with Class I and customer service issues
• Goals at a glance:
  o TIH/PIH regulations and pricing issues
  o Small rate case
  o Paper barriers
  o Truck size and weight
  o FRA—safety changes, tank car changes, electronic brake

VII. Next meeting April 29 and 30, 2008