

CENTRAL OREGON & PACIFIC RAILROAD, INC.

FREIGHT TARIFF CORP 8000-C

SURCHARGE FREIGHT TARIFF

APPLICATION OF SURCHARGES

In addition to the line-haul transportation charge or charges published in tariffs or other instruments whatsoever, a surcharge will be assessed on all traffic from or to the following Central Oregon & Pacific Railroad, Inc. ("CORP") stations:

Ashland, Belleview, Central Point, Glendale, Gold Hill, Grants Pass, Hugo, Kane, Leland, Medford, Merlin, Phoenix, Rogue River, Siskiyou, Talent, Tolo, Voorhles, White City and Wolf Creek, OR;

Gazelle, Grenada, Hill, Hornbrook, Montague and Weed, CA

The surcharge will be paid by the rail user (i.e., shipper or consignor on outbound shipments, and receiver or consignee on inbound shipments) and shall be collected by and accrue solely to the CORP.

This tariff is also applicable on intrastate traffic, except where expressly provided to the contrary.

ISSUED: February 28, 2005

EFFECTIVE: April 1, 2005

ISSUED BY:

Dan Lovelady, General Manager
333 SE Mosher
Roseburg, OR 97470

(The provisions published herein, if effective, will not result in an effect on the quality of the human environment)

SURCHARGE FREIGHT TARIFF CORP 8000-C

SECTION 1 APPLICATION OF SURCHARGES

ITEM 105

SURCHARGE RULES AND CHARGES

A Surcharge as outlined below will be assessed on all traffic originating or terminating at the following stations: Ashland, Belleview, Central Point, Glendale, Gold Hill, Grants Pass, Hugo, Kane, Leland, Medford, Merlin, Phoenix, Rogue River, Siskiyou, Talent, Tolo, Voorhles, White City and Wolf Creek, OR; Gazelle, Grenada, Hill, Hornbrook, Montague and Weed, CA. The surcharge will be billed directly by Central Oregon & Pacific Railroad ("CORP") to the on-line CORP rail customers located at these stations, and not to the payor of the railroad freight charges. The Surcharge will apply on loaded cars only and will be billed quarterly and will be payable directly to the CORP at the following address:

Central Oregon & Pacific Railroad, Inc.
P.O. Box 409590
Atlanta, GA 30384-9590

The surcharge shall remain in effect until March 31, 2009.

The per carload Surcharge applicable to the movement of all commodities is as follows:

\$25 per carload.