



SAN DIEGO & IMPERIAL VALLEY RAILROAD COMPANY, INC.

1501 National Avenue • Suite 200 • San Diego, CA • 92113-1029 • Phone: 619.239.7348 • Fax: 619.239.7128

November 14, 2008

Dear Customer:

REGARDING: Changes in shipment instructions for traffic to Mexico – Effective December 1, 2008

Burlington Northern Santa Fe (BNSF) is altering the current pricing/route arrangements with San Diego and Imperial Valley Railroad (SDIY). Effective December 1, 2008 BNSF will no longer quote nor publish rates for interchange with Carrizo Gorge Railway (CZRY), at the Mexico border crossing point of San Ysidro.

BNSF is notifying customers interchanging rail traffic with CZRY via SDIY, that their shipments will only be able to move using interline freight rates and will be subject to “Rule 11” price authorities.

For traffic billed to the San Diego gateway, for furtherance to Mexico by SDIY, you will be required to show SDIY in the route of your shipping instructions and you will receive a separate invoice from SDIY for its transportation services. SDIY will no longer receive payment from BNSF, and BNSF’s transportation charges will not include payment for SDIY services. I am including a copy of our Rule 11 tariff and a credit application for you to establish a commercial relationship with SDIY.

If you ship to Mexico:

1. Complete the attached credit application and return to us for processing.
2. Shipping instructions must indicate that the shipment is moving on a “Rule 11” basis.
 - a. For traffic to or from Mexico the complete route must include the SDIY junction station of San Ysidro, CA.
 - b. Shipping instructions will need to show the complete route. For instance – a shipment originating on BNSF and terminating on CZRY must show a route of BNSF – San Diego - SDIY – San Ysidro – CZRY.

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3. You will receive a separate freight invoice from SDIY, for SDIY's portion of the move.
4. If you do not establish credit with SDIY, you will be required to pay in advance of your shipment by credit card or wire transfer.
 - a. If you plan to pay by credit card, you will need to complete the attached credit card form.
 - b. If you plan to pay by wire transfer, wiring instructions are attached.
 - c. At the time you submit you bill of lading to the originating carrier you must notify SDIY to charge your credit card or give confirmation of wiring instructions.
 - d. If payment is not received by the time that SDIY receives the car in interchange, the car will be held pending payment and applicable storage charges will apply.

For traffic originating or terminating on SDIY stations, SDIY will continue to act as a switching carrier for BNSF. SDIY will not need to be shown in your shipping instructions and you will not receive a bill, from SDIY, for transportation services.

In the meantime, do not hesitate to contact me if you have questions. My email address is jose.ramos@railamerica.com.

We appreciate your business on SDIY and look forward to meeting your transportation needs.

Sincerely,

Jose Ramos

Attachments