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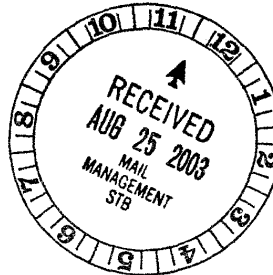
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August 25, 2003

VIA HAND DELIVERY

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001



Re: STB Docket No. 42081, Dyno Nobel Inc.
v. Kaneb Pipe Line Partners, L.P.

Dear Secretary Williams:

Enclosed for filing in the above-referenced proceeding please find an original and ten (10) copies of the Joint Report on the Parties' Conference.

Please date stamp the extra copy of this cover letter and the filing and return them to our messenger. Thank you for your assistance in this matter.

Respectfully submitted,

Kendra A. Ericson
An Attorney for Dyno Nobel, Inc.

KAE/cmz
Enclosure
cc: Parties of Record

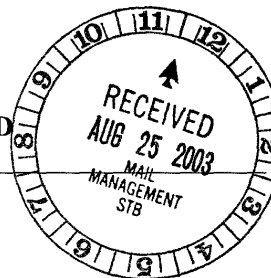
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AUG 25 2003

Part of
Public Record

208773

BEFORE THE
SURFACE TRANSPORTATION BOARD



DYNO NOBEL INC.,

Complainant,

v.

KANEB PIPE LINE PARTNERS, L.P.,

Defendant.

Docket No. 42081

JOINT REPORT
ON THE PARTIES' CONFERENCE
PURSUANT TO 49 C.F.R. § 1111.10(a)

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KANEB PIPE LINE PARTNERS, L.P.

DYNO NOBEL INC.

By: Pamela J. Anderson
Kathrine L. Henry
Angela Addison Freeman
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ATTORNEYS FOR DEFENDANT

ATTORNEYS FOR COMPLAINANT

Dated: August 25, 2003

**BEFORE THE
SURFACE TRANSPORTATION BOARD**



DYNO NOBEL INC.,

Complainant,

v.

KANEB PIPE LINE PARTNERS, L.P.,

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**JOINT REPORT
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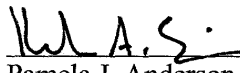
Pursuant to 49 C.F.R. § 1111.10(a), counsel for the parties conducted two conferences on July 16, 2003 and August 12, 2003 to discuss procedural and discovery matters in this case. The parties have also exchanged correspondence regarding these issues. The results of these conferences and correspondence are summarized below:

1. The parties agreed to file a joint motion with the Surface Transportation Board ("Board") requesting that an agreed - upon protective order be entered in this proceeding. The Joint Motion was filed on July 18, 2003, and approved by the Board on August 6, 2003.
2. The parties have thus far been able to resolve all disagreements that have arisen between them with respect to discovery, and do not at present require the

intervention of the Board to assist in such resolution. However, each reserves the right to do so in the future, should the need arise.

3. The parties have agreed on a schedule to govern further proceedings in this docket. A copy of the agreed schedule is attached as Exhibit A, and the parties respectfully request that the Board enter an order herein adopting said schedule.

Respectfully Submitted,

 for Kathrine L. Henry

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ATTORNEYS FOR DEFENDANT

August 25, 2003



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ATTORNEYS FOR COMPLAINANT

CERTIFICATE OF SERVICE

Pursuant to 40 C.F.R. § 1113.3, I hereby certify that on this 25th day of August, I caused a copy of the foregoing Joint Report on the Parties' Conference Pursuant to 49 C.F.R. § 1111.10(a) to be served by overnight express courier on all parties of record in this proceeding, addressed as follows:

C.F. Industries Inc.
One Salem Lake Drive
Long Grove, IL 60047

and by hand delivery on designated outside counsel, as follows:

Mitchell F. Hertz, Esq.
Jeffrey J. Williamson, Esq.
Kirkland & Ellis LLP
655 Fifteenth Street, N.W.
Suite 1200
Washington, D.C. 20005

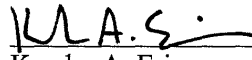

Kendra A. Ericson
An Attorney for Complainant

Exhibit A

AGREED SCHEDULE

Docket No. 42081, Dyno Nobel Inc. v. Kaneb Pipe Line Partners, L.P.

09/04/03	DNI completes response to Kaneb's 8/01/03 Discovery Requests
09/12/03	DNI replies to Kaneb's Motion to Dismiss Count I of the Complaint
10/01/03	Discovery completed as between parties (3rd party discovery, if any, initiated before 10/01/03 may continue)
TBA*	Board's Ruling on Kaneb's Motion to Dismiss Count I of the Complaint
* + 60 days: ¹	DNI submits opening evidence and argument
* + 120 days:	Kaneb submits reply evidence & argument
* + 150 days:	DNI submits rebuttal evidence & argument, and record closes.

¹ Each party reserves the right to file motions for further modification of the agreed schedule within 30 days of the ruling.