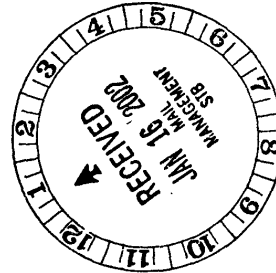


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ORIGINAL

BEFORE THE
SURFACE TRANSPORTATION BOARD
Washington, D.C. 20423



Docket No. 41230

GS ROOFING PRODUCTS COMPANY, INC.,)
BEAZER WEST, INC. d/b/a GIFFORD-HILL &)
COMPANY, BEAN LUMBER COMPANY and)
CURT BEAN LUMBER COMPANY,)

Complainants,)

v.)

ARKANSAS MIDLAND RAILROAD and PINSLY)
RAILROAD COMPANY, INC.,)

Defendants.)

Office of the Secretary

JAN 16 2002

Part of
Public Record

**VERIFIED STATEMENT OF CHRISTENA NIELSEN
IN SUPPORT OF COMPLAINT OF
GS ROOFING PRODUCTS COMPANY, INC.**

My name is Christena Nielsen. I am President of Nielsen Enterprises located at 1615 Belle Haven Road, Alexandria, Virginia 22307. I am the same Christena Nielsen that presented an affidavit earlier in this proceeding. A copy of my qualifications is included as Exhibit CN-1 to this Verified Statement.

I have been requested by GS Roofing Products Company, Inc. to determine the level of interest to which GS Roofing is entitled based on the revised lost profits calculated by Tom A. Gwynn in his accompanying Verified Statement.

The Board has determined that "[i]nterest be calculated based on the 91-day Treasury Bill Equivalent yield for the quarter...[and that] interest be calculated pursuant to the procedures

outlined at 49 CFR 1141.1(A)(2) AND 1141.1(B)(2).” 49 C.F.R. § 114.1(a)(2) reads, in pertinent part:

[T]he interest rate shall be the coupon equivalent yield in effect on the first day of the calendar quarter in which an unlawful charge is paid. The interest rate in complaint proceedings shall be updated as of the first day of all subsequent calendar quarters.

Further, § 1141(b)(2) states:

[T]he first compounding period shall run from the date the unlawful charge is paid to the last day of the current calendar quarter

The values for the 13-week Treasury Bill investment yield (Exhibit CN-3, Column 2) have been extracted from the Bureau of the Public Debt online database and are the values in effect on the first day of each quarter. The quarterly rate is calculated based on the annual rate and the number of days in each quarter relative to the total days in each year. In the final quarter, only 15 days have passed, so the calculation considers only that portion of the quarter. Exhibit CN-3 shows the development of the compound interest applicable to the first shipment. The compound interest for each additional shipment was calculated in a similar manner. Application of the appropriate compound interest for each shipment is shown on Exhibit CN-2.

I have assumed that twelve (12) equal monthly shipments to Celotex would have been made on the 15th of each month, with interest accruing from the 15th day of the following month and compounding until January 15, 2002 or 15 days into the first quarter of 2002. The contract between GS Roofing Products, Inc. and Celotex-Houston allowed for delivery of between 20,000 and 25,000 tons of granules. Based on this, I have calculated the interest due under three alternative scenarios: 1) the minimum contract tonnage or 20,000 tons, 2) an amount equal to the midpoint of the tonnage allowed under the contract or 22,500 tons, and 3) the maximum

tonnage under the contract or 25,000 tons. Exhibit CN-2 to this Verified Statement summarizes the interest calculations under each of these three scenarios.

Based on my calculations, GS Roofing Products, Inc. is owed between \$66,987 and \$83,734 in interest and has sustained total lost profits between \$218,787 and \$273,484.

FURTHER SAYETH THE AFFIANT NOT.

Verification Page

I, Christena Nielsen, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file the foregoing Verified Statement on behalf of GS Roofing Products Company, Inc., executed on January 15, 2002.


Christena Nielsen

I. QUALIFICATIONS OF CHRISTENA NIELSEN

My name is Christena Nielsen. I am President of Nielsen Enterprises, which is an economic consulting firm specializing in transportation issues. Prior to establishing Nielsen Enterprises, I worked with L.E. Peabody & Associates, Inc. (1989-1997), Snavely King Majoros O'Connor & Lee, Inc. (1997-1999) and, most recently, Parrish, Blessing and Associates, Inc. (1999-2001). In each of those positions, I have applied economic principles in the field of transportation economics. Prior to that time, I was involved in marketing and business development in the aviation and real estate industries.

As an economic consultant, I direct and perform economic studies and prepare reports for railroads, shippers, telecommunication companies, pipeline companies, associations, state governments and other public organizations concerned with transportation, telecommunications and related economic issues. These efforts include: competitive market analyses, evaluation of merger-related issues, operational and cost analyses, assessment and valuation of properties and evaluation of equipment utilization.

I have examined the competitive impact of many of the recent rail mergers and prepared evidence for presentation before the Interstate Commerce Commission (now the Surface Transportation Board ("STB")) in UP/CNW,¹ BN/ATSF,² UP/SP,³ and most recently NS/CSXT/CR.⁴ I have also analyzed and prepared variable cost of service and stand alone cost evidence in Coal Trading,⁵ McCarty Farms⁶ and WTU.⁷ I have utilized

¹ Finance Docket No. 32133, Union Pacific Corporation, Union Pacific Railroad Company and Missouri Pacific Railroad Company – Acquisition and Control – Chicago and North Western Railroad Company, ("UP/CNW").

² Finance Docket No. 32549, Burlington Northern, Inc. and Burlington Northern Railroad Company – Control and Merger – Santa Fe Pacific Corporation and The Atchison, Topeka and Santa Fe Railway Company, ("BN/ATSF").

³ Finance Docket No. 32760, Union Pacific Corporation, Union Pacific Railroad Company, and Missouri Pacific Railroad Company – Control and Merger – Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp., and the Denver Rio Grande Western Railroad Company, ("UP/SP").

⁴ Finance Docket No. 33388, CSX Corporation and CSX Transportation, Inc., Norfolk Southern Railway Company – Control and Operating Leases/Agreements – Conrail Inc., and Consolidated Rail Corporation, ("CSX/NS/CR").

⁵ ICC Docket No. 38301S, Coal Trading Corporation v. Baltimore & Ohio Railroad, et al., ("Coal Trading").

the various formulas employed by the STB (Rail Form A (FRA) and the Uniform Railroad Costing System ("URCS")) extensively in the development of these costs. In addition, I have presented evidence before the STB developing the acquisition value of a short line railroad and calculated the interest applicable for trackage rights charges and damages.⁸

I have also prepared evidence for presentation to the Federal Energy Regulatory Commission ("FERC"), the Federal Communications Commission ("FCC") and a number of state Public Utility Commissions. These presentations include evaluation of the competitive impact of various pipelines charging market-based rates, cost based support for a newly merged telecommunication carrier's request to remain under rate-of-return regulation so as to protect consumers from extraordinary rate increases and cost of capital calculations used in determining reasonable rates of return.

In addition, I have advised rail shippers in transportation contract negotiations. Specifically, I have assisted shippers in gaining market-based contract rates and advised them on rate escalation and reopener provisions. I utilized RFA and URCS to develop transportation costs as a basis for judging the reasonableness of rates for these negotiations. These costs were also utilized as the foundation for cost-based contract rate escalation procedures.

I have worked with state governments to study the potential value of developing intermodal facilities and assisted with the analyses required to position such facilities to maximize their use and benefits.

⁶ ICC Docket Nos. 37809, 37809 (Sub-No.1) and 37815S, McCarty Farms, Inc., et al. v. Burlington Northern, Inc. ("McCarty Farms").

⁷ ICC Docket No. 41191, West Texas Utilities Company v. Burlington Northern Railroad Company ("WTU").

⁸ Finance Docket No. 32479, Caddo Antoine And Little Missouri Railroad Company – Feeder Line Acquisition – Arkansas Midland Railroad Company Line Between Gurdon and Birds Mill, AR. Finance Docket No. 32625, Dardanelle & Russellville Railroad Company – Trackage Rights Compensation – Arkansas Midland Railroad Company.

I graduated from the University of Southern California with a Bachelor of Arts degree in English. I have also taken graduate courses in Transportation and Economics from George Mason University and am a member of the Transportation Research Forum and the Association of Transportation Law, Logistics & Policy.

**Summary of GS Roofing Products / Celotex Lost Profits and
Interest Due - January 15, 1994 through January 15, 2002**
(Assuming 20,000 tons)

Month	No. of Tons	Amount Due Based On \$7.59 Per Ton ^{1/}	Payment Due Date ^{2/}	Remaining Days in Quarter	Applicable Cumulative Interest Rate ^{3/}	Total Interest Due ^{4/}
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. January	1,667	\$ 12,650	2/15/94	45	1.46595	\$ 5,894
2. February	1,667	12,650	3/15/94	17	1.46250	5,851
3. March	1,667	12,650	4/15/94	77	1.45844	5,799
4. April	1,667	12,650	5/15/94	47	1.45423	5,746
5. May	1,667	12,650	6/15/94	16	1.44989	5,691
6. June	1,667	12,650	7/15/94	78	1.44532	5,633
7. July	1,667	12,650	8/15/94	47	1.44015	5,568
8. August	1,667	12,650	9/15/94	16	1.43499	5,503
9. September	1,667	12,650	10/15/94	78	1.42970	5,436
10. October	1,667	12,650	11/15/94	47	1.42388	5,362
11. November	1,667	12,650	12/15/94	17	1.41828	5,291
12. December	1,667	12,650	1/15/95	76	1.41209	5,213
13. Total	20,000	\$ 151,800	xxx	xxx	xxx	\$ 66,987
14. Total Lost Profits including Interest (Line 13, Col (3) + Line 13, Col (7))					xxx	\$ 218,787

^{1/} Column (2) tons * \$7.59 per ton.

^{2/} Shipment is assumed to be on the 15th day of each month with payment due on the 15th day of the following month.

^{3/} Calculated pursuant to example shown on Exhibit CN-3.

^{4/} Column (3) * (Column (6) - 1.0).

**Summary of GS Roofing Products / Celotex Lost Profits and
Interest Due - January 15, 1994 through January 15, 2002**
(Assuming 22,500 tons)

Month (1)	No. of Tons (2)	Amount Due Based On \$7.59 Per Ton ^{1/} (3)	Payment Due Date ^{2/} (4)	Remaining Days in Quarter (5)	Applicable Cumulative Interest Rate ^{3/} (6)	Total Interest Due ^{4/} (7)
1. January	1,875	\$ 14,231	2/15/94	45	1.46595	\$ 6,631
2. February	1,875	14,231	3/15/94	17	1.46250	6,582
3. March	1,875	14,231	4/15/94	77	1.45844	6,524
4. April	1,875	14,231	5/15/94	47	1.45423	6,464
5. May	1,875	14,231	6/15/94	16	1.44989	6,403
6. June	1,875	14,231	7/15/94	78	1.44532	6,337
7. July	1,875	14,231	8/15/94	47	1.44015	6,264
8. August	1,875	14,231	9/15/94	16	1.43499	6,190
9. September	1,875	14,231	10/15/94	78	1.42970	6,115
10. October	1,875	14,231	11/15/94	47	1.42388	6,032
11. November	1,875	14,231	12/15/94	17	1.41828	5,953
12. December	1,875	14,231	1/15/95	76	1.41209	5,865
13. Total	22,500	\$ 170,775	xxx	xxx	xxx	\$ 75,360
14. Total Lost Profits including Interest (Line 13, Col (3) + Line 13, Col (7))					xxx	\$ 246,135

^{1/} Column (2) tons * \$7.59 per ton.

^{2/} Shipment is assumed to be on the 15th day of each month with payment due on the 15th day of the following month.

^{3/} Calculated pursuant to example shown on Exhibit CN-3.

^{4/} Column (3) * (Column (6) - 1.0).

**Summary of GS Roofing Products / Celotex Lost Profits and
Interest Due - January 15, 1994 through January 15, 2002**
(Assuming 25,000 tons)

Month (1)	No. of Tons (2)	Amount Due Based On \$7.59 Per Ton ^{1/} (3)	Payment Due Date ^{2/} (4)	Remaining Days in Quarter (5)	Applicable Cumulative Interest Rate ^{3/} (6)	Total Interest Due ^{4/} (7)
1. January	2,083	\$ 15,813	2/15/94	45	1.46595	\$ 7,368
2. February	2,083	15,813	3/15/94	17	1.46250	7,313
3. March	2,083	15,813	4/15/94	77	1.45844	7,249
4. April	2,083	15,813	5/15/94	47	1.45423	7,182
5. May	2,083	15,813	6/15/94	16	1.44989	7,114
6. June	2,083	15,813	7/15/94	78	1.44532	7,042
7. July	2,083	15,813	8/15/94	47	1.44015	6,960
8. August	2,083	15,813	9/15/94	16	1.43499	6,878
9. September	2,083	15,813	10/15/94	78	1.42970	6,795
10. October	2,083	15,813	11/15/94	47	1.42388	6,703
11. November	2,083	15,813	12/15/94	17	1.41828	6,614
12. December	2,083	15,813	1/15/95	76	1.41209	6,516
13. Total	25,000	\$ 189,750	xxx	xxx	xxx	\$ 83,734
14. Total Lost Profits including Interest (Line 13, Col (3) + Line 13, Col (7))					xxx	\$ 273,484

^{1/} Column (2) tons * \$7.59 per ton.

^{2/} Shipment is assumed to be on the 15th day of each month with payment due on the 15th day of the following month.

^{3/} Calculated pursuant to example shown on Exhibit CN-3.

^{4/} Column (3) * (Column (6) - 1.0).

GS Roofing Products / Celotex Lost Profits Cumulative Interest Rate Example
Cumulative Interest Rate February 15, 1994 Through January 15, 2002

Quarter	13 Week T-Bill Investment Yield	Annual Rate ^{1/}	No. of Days Between Lost Profit and End of Qtr	Number Of Days In Year	Quarterly Rate ^{2/}	Cumulative Rate ^{3/}
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1Q94	3.12%	1.0312	45	365	1.00379	1.00379
2Q94	3.58%	1.0358	91	365	1.00881	1.01264
3Q94	4.31%	1.0431	92	365	1.01069	1.02346
4Q94	4.92%	1.0492	92	365	1.01218	1.03593
1Q95	5.72%	1.0572	90	365	1.01381	1.05024
2Q95	5.82%	1.0582	91	365	1.01420	1.06515
3Q95	5.51%	1.0551	92	365	1.01361	1.07965
4Q95	5.29%	1.0529	92	365	1.01308	1.09377
1Q96	5.05%	1.0505	91	366	1.01232	1.10725
2Q96	5.12%	1.0512	91	366	1.01249	1.12108
3Q96	5.24%	1.0524	92	366	1.01292	1.13557
4Q96	5.32%	1.0532	92	366	1.01311	1.15046
1Q97	5.05%	1.0505	90	365	1.01222	1.16452
2Q97	5.41%	1.0541	91	365	1.01322	1.17992
3Q97	5.07%	1.0507	92	365	1.01254	1.19472
4Q97	5.03%	1.0503	92	365	1.01245	1.20959
1Q98	5.44%	1.0544	90	365	1.01315	1.22550
2Q98	5.16%	1.0516	91	365	1.01263	1.24098
3Q98	5.12%	1.0512	92	365	1.01267	1.25670
4Q98	4.54%	1.0454	92	365	1.01126	1.27085
1Q99	4.64%	1.0464	90	365	1.01124	1.28514
2Q99	4.50%	1.0450	91	365	1.01104	1.29933
3Q99	4.89%	1.0489	92	365	1.01210	1.31505
4Q99	4.86%	1.0486	92	365	1.01202	1.33087
1Q00	5.46%	1.0546	91	366	1.01331	1.34858
2Q00	5.89%	1.0589	91	366	1.01432	1.36789
3Q00	5.84%	1.0584	92	366	1.01438	1.38756
4Q00	6.18%	1.0618	92	366	1.01519	1.40865
1Q01	5.86%	1.0586	90	365	1.01415	1.42858
2Q01	4.31%	1.0431	91	365	1.01056	1.44367
3Q01	3.45%	1.0345	92	365	1.00859	1.45607
4Q01	2.43%	1.0243	92	365	1.00607	1.46490
1Q02	1.75%	1.0175	15	365	1.00071	1.46595

^{1/} Investment Yield (Column (2)) + 1.0.

^{2/} Annual Rate (Column (3)) ^ (Column (4) + Column (5)).

^{3/} Quarterly Rate in Column (6) x prior Cumulative Rate in Column (7)).