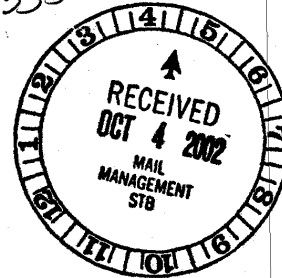




BRUSSELS CINCINNATI CLEVELAND COLUMBUS DAYTON NEW YORK WASHINGTON, D.C.

206 335



October 4, 2002

By Hand

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

RE: STB Finance Docket No. 33388(Sub-No. 91)
CSX Corporation and CSX Transportation, Inc.
Norfolk Southern Corporation and Norfolk Southern Railway Company
- Control and Operating Leases/Agreements-
Conrail Inc. and Consolidated Rail Corporation (General Oversight)

Dear Secretary Williams:

Enclosed please find an original and twenty five (25) copies of The Status Report of Cargill, Incorporated to be filed in the above-referenced docket.

Also, enclosed is one additional copy for stamp and return. Kindly date-stamp the additional copy for return to this office by messenger.

If you have any questions, please do not hesitate to call. My direct dial number is (202) 263-4107.

Sincerely,

Michael H. Higgins

Michael H. Higgins
Attorney for Cargill, Incorporated

cc: Mr. Jeffrey Johnson
Mr. Ron Hunter

ENTERED
Office of Proceedings

OCT 4 2002

Part of
Public Record

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CARG-6

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB FINANCE DOCKET NO. 33388 (SUB-NO. 91)

**CSX CORPORATION AND CSX TRANSPORTATION, INC.,
NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY
— CONTROL AND OPERATING LEASES/AGREEMENTS —
CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION**

[GENERAL OVERSIGHT]

**STATUS REPORT
OF CARGILL, INCORPORATED**



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Public Record**

Cargill, Incorporated ("Cargill") hereby submits this Status Report in the above-captioned proceeding.

In Comments filed on August 5, 2002, Cargill raised concerns that recent developments involving the fees charged by CSX to NS to preserve two-carrier access at Sidney, Ohio are inconsistent with the merger decision by not adequately protecting Cargill's shipments of agricultural products from Sidney, Ohio to NS-served destinations, effectively negating the protections that both carriers assured Cargill, as a 2-to-1 shipper at Sidney, would preserve two-carrier competition post-merger. At the request of CSX and NS, and without objection from Cargill, the Board extended the time for filing Reply Comments to Cargill until September 25, 2002, in order to allow the parties to reach a negotiated resolution of Cargill's concerns. See Decision No. 9 (served Sept. 13, 2002).

CSX and NS separately filed comments on September 25th, stating that CSX had sent a written proposal to Cargill, which was copied to NS, on the preceding day, September 24, 2002. Both railroads expressed hope that a negotiated resolution could be reached, although NS expressed some preliminary concerns regarding CSX's proposal.¹

The CSX proposal offered four alternative solutions to Cargill. The first option would implement the solution approved by the Board in the merger decision, by providing a cost-based interchange rate of \$60 at Sidney. The second option preserves the current operations, but only at a rate slightly lower cost than CSX initially had estimated. The third and fourth options offer proportional rates over various interchanges with NS. After obtaining and reviewing proportional rates from NS for use in combination with the CSX rates, Cargill has concluded that Options 2-4 do not remedy its concerns.

Option 1, however, is attractive to Cargill and Cargill has communicated this fact to CSX and NS. Based upon preliminary discussions with NS, Cargill understands that certain operational details still would need to be worked out between NS and CSX. Although Cargill is hopeful that these details will be addressed to everyone's mutual satisfaction, Cargill asks the

¹ There is a material misstatement of fact in CSX's comments that Cargill desires to correct for the record. CSX states:

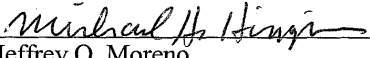
When the Split Date came, instead of providing this remedy [the proposal approved by the Board in the merger decision] to Cargill, with Cargill's consent CSX and NS provided an alternative method of providing access to NS for the Cargill facility at Sidney. An arrangement was worked out under which CSX would move the outgoing cars from Sidney to Indianapolis, where they would be classified and then delivered to NS at Marion, OH.

CSX Comments at 2. Cargill consented only to a direct movement of its cars from Sidney to Marion, not Sidney-Indianapolis-Marion. It is the cost of this nearly 200-mile round-trip diversion West to Indianapolis, before moving only 60 miles East to Marion, that has triggered Cargill's comments in this oversight proceeding. Cargill Comments at 3, 5.

CARG-6

Board to retain jurisdiction over this matter until such time as Cargill notifies the Board that a final resolution has been reached.

Respectfully submitted,


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(202) 331-8800

Attorney for Cargill, Incorporated

October 4, 2002

CERTIFICATE OF SERVICE

I, Pamela D. Plummer, a secretary at the law firm of Thompson Hine LLP, do hereby certify that on this 4th day of October, 2002, a copy of the Status Report of Cargill, Incorporated was served by first-class mail, postage prepaid, or more expedited method to the following:

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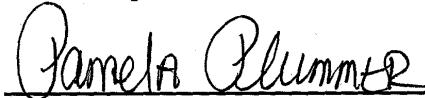
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Pamela D. Plummer

*by hand