

April 28, 2003

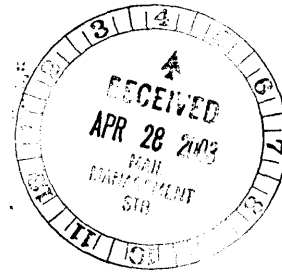
By Hand

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

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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 (25) copies of the Status Report and Request to Establish Deadline of Cargill, Incorporated.

Also, enclosed is one additional copy of the pleading 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,

A handwritten signature in dark ink, appearing to read "Jeffrey O. Moreno".

Jeffrey O. Moreno
Attorney for Cargill, Incorporated

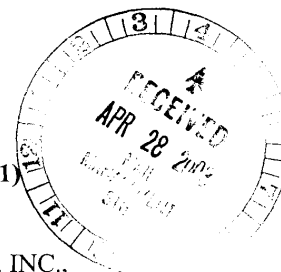
cc: Mr. Jeffrey Johnson
Mr. Ron Hunter

207704

CARG-7

**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]

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**STATUS REPORT AND
REQUEST TO ESTABLISH DEADLINE
OF CARGILL, INCORPORATED**

Cargill, Incorporated ("Cargill") hereby submits this Status Report and Request to Establish Deadline 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.

The CSX proposal offered four alternative solutions to Cargill. After carefully considering each option, Cargill concluded that only 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. Cargill communicated this fact to CSX and NS, which initiated discussions to address the operating details of that option. Although Cargill was hopeful that these details would be addressed to everyone's mutual satisfaction in a prompt and timely manner, in its last Status Report on October 4, 2002, Cargill asked the Board to retain jurisdiction over this matter until such time as Cargill notified the Board that a final resolution had been reached. The Board agreed.

It has been nearly seven months since Cargill expressed optimism that CSX and NS would finalize an operational plan to implement the 2-to-1 solution that they originally proposed in their 1997 application for control of Conrail. As of this filing, however, no agreement exists between CSX and NS, and neither carrier can give Cargill a time frame for completion.

This extended period of uncertainty is detrimental to Cargill and it brings into question the carriers' commitment to follow through on their promises in the Conrail control application. Although NS has continued to absorb CSX's higher switching charges at Sidney while the negotiations continue, it is unclear how long NS will do so. Moreover, CSX has little incentive

to alter the status quo, since the current arrangement assures it of higher revenues. Nevertheless, responsibility for the delay appears to lie equally with NS and CSX.

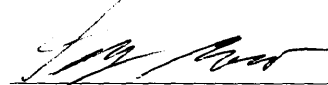
The current operating arrangement between CSX and NS also is detrimental to the efficiency of Cargill's operations. Currently, east-bound traffic out of Cargill's Sidney, Ohio facility to NS destinations must first move 100 miles west on CSX to Anderson and Indianapolis, Indiana for classification. Then the traffic retraces this 100 mile path back to Sidney and beyond to Marion, Ohio for interchange with NS. This detour is repeated on the empty return haul for a grand total of 400 excess rail miles. This 400-mile detour to the west unnecessarily increases the cycle times for Cargill's private fleet of rail cars. As a consequence, Cargill incurs higher product inventory costs and must maintain a larger fleet of rail cars.

Cargill does not know the precise reasons for the seven month delay in developing an operating plan to implement the Sidney, Ohio switching arrangement originally set forth in the Conrail control application. The carriers have not shared drafts of their operating agreement with Cargill, nor have they provided much explanation regarding the matters that are in dispute. Cargill no longer gives credence to repeated assurances that CSX and NS are close to agreement. This situation should not be permitted to continue indefinitely.

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Therefore, Cargill requests the Board to establish a deadline of Friday, May 30, 2003 for CSX and NS to submit a final agreement to Cargill and the Board for the switching of Cargill's Sidney, Ohio traffic that is consistent with their commitments in the Conrail control application.

Respectfully submitted,



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Attorney for Cargill, Incorporated

April 28, 2003

CERTIFICATE OF SERVICE

I, Pamela D. Plummer, a secretary at the law firm of Thompson Hine LLP, do hereby certify that on this 28th day of April, 2003, a copy of the Status Report and Request to Establish Deadline of Cargill, Incorporated was served by first-class mail, postage prepaid, or more expedited method to the following:

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Pamela D. Plummer

*by hand