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U.S. DEPARTMENT OF TRANSPORTATION
SURFACE TRANSPORTATION BOARD

DHX, INC.,

Complainant,

v.

STB Docket No. WCC-105

MATSON NAVIGATION COMPANY
And SL SERVICE, INC.,
f/k/a SEA-LAND SERVICE, INC.,

Defendants.

COMPLAINANT'S OPENING STATEMENTS

TESTIMONY AND EXHIBITS OF CHARLES W. BROWN, III



Submitted By

RICK A. RUDE, Esq.
Suite 103
207 Park Avenue
Falls Church, VA 22046
(AC 703) 536-3063 Telephone
(AC 703) 536-4841 Fax

Counsel For Complainant
DHX, INC.

Dated 28 October 2003

CHARLES W. BROWN III
HIGHLY CONFIDENTIAL

UNITED STATES DEPARTMENT OF TRANSPORTATION
SURFACE TRANSPORTATION BOARD

DHX, INC.,

Complainant,

vs.

STB Docket No. WCC-105

MATSON NAVIGATION COMPANY and

SL SERVICE, INC., f/k/a

SEA-LAND SERVICE, INC.,

Defendants.

/

ORIGINAL

*** HIGHLY CONFIDENTIAL ***

DEPOSITION OF CHARLES W. BROWN III

July 9, 2003

HIGHLY CONFIDENTIAL

BROOKS & OJEDA, INC.

Certified Shorthand Reporters

1956 Webster Street, Suite 450

Oakland, California 94612

(510) 444-0200

Reported by:

Natalie Y. Botelho

CSR No. 9897

CHARLES W. BROWN III
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CHARLES W. BROWN III
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1 BE IT REMEMBERED THAT, on Wednesday, July 9,
2 2003, commencing at the hour of 9:05 o'clock a.m. of the
3 said day, at the offices of BROOKS & OJEDA, INC., 1956
4 Webster Street, Suite 450, Oakland, California, before
5 me, NATALIE Y. BOTELHO, a Certified Shorthand Reporter
6 for the State of California, personally appeared CHARLES
7 W. BROWN III, a witness in the above-entitled court and
8 cause, who, being by me first duly sworn, was examined
9 in said cause.

10
11 APPEARANCES OF COUNSEL
12

13 FOR COMPLAINANT:

14 LAW OFFICES OF RICK A. RUDE
15 BY: RICK A. RUDE, ESQ.
16 207 Park Avenue, Suite 103
17 Falls Church, VA 22046

18 FOR DEFENDANT, SEA-LAND SERVICE, INC.:

19 TROUTMAN SANDERS, LLP
20 BY: C. JONATHAN BENNER, ESQ.
21 and LEONARD L. FLEISIG, ESQ.
22 401 9th Street, N.W., Suite 1000
23 Washington, DC 20004-2134

24 FOR DEFENDANT, MATSON NAVIGATION COMPANY:

25 ZUCKERT, SCOUTT & RASENBERGER, LLP
BY: SCOTT M. ZIMMERMAN, ESQ.
888 Seventeenth Street, N.W.
Washington, DC 20006-3309

---oOo---

CHARLES W. BROWN III
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1 CHARLES W. BROWN III,
2 being first duly sworn, testified as follows:
3

4 EXAMINATION BY MR. RUDE

5 MR. RUDE: Q. Good morning, Mr. Brown. Thank
6 you for coming. Appreciate it.

7 A. You're welcome.

8 Q. I'm going to ask you some questions this
9 morning, and if you don't understand a question, just
10 simply say so, and I will rephrase it or try and clarify
11 it.

12 A. Okay.

13 Q. I'm going to assume you understand, unless you
14 indicate to the contrary. Okay?

15 A. Okay.

16 Q. Have you ever been deposed before?

17 A. Yes.

18 Q. When -- how many times?

19 A. One.

20 Q. And when was that?

21 A. About two months ago.

22 Q. And what did that involve?

23 A. It involved a personal matter between actually
24 builder of my home and the insurance company.

25 Q. God bless you.

CHARLES W. BROWN III
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1 Do you have a business card, sir?

2 A. Yes.

3 MR. RUDE: Let's mark that as 68.

4 (PLAINTIFF'S EXHIBIT NO. CSX-68 WAS MARKED FOR
5 IDENTIFICATION.)

6 MR. RUDE: Q. Mr. Brown, I see it says you're
7 general manager of sales for the western region. Can
8 you tell me what the western region is?

9 A. Okay. The western region encompasses all of
10 California. It's a nine-state area that runs from Idaho
11 on down to the Mexican border and over to Colorado. So
12 it would have Arizona in there to Wyoming, those states
13 in the geographical western area.

14 Q. Can you state for the record your home address?

15 A. Sure, 2180 Palmer, P-a-l-m-e-r, Place, Tustin,
16 California 92782.

17 Q. Okay. How long have you been the general
18 manager for the western region for Horizon Lines?

19 A. The general manager for the western region for
20 Horizon for about three years. Prior to that I was
21 general manager of North America for Sea-Land for
22 Hawaii/Guam.

23 Q. Okay. Let me ask you this: Are you familiar
24 with a company by the name of CSX Lines LLC?

25 A. Yes.

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1 Q. That was -- when did CSX Lines become Horizon
2 Lines?
3 A. That would have been December -- oh, when did
4 CSX Lines become Horizon Lines?
5 Q. Yes.
6 A. Oh, that would have been February of 2003. I
7 think about February 15th, somewhere around there.
8 Q. So you would have been general manager at CSX
9 Lines?
10 A. Correct.
11 Q. For about the last three years of that would
12 take you back to, what, June of 2000?
13 A. Yes.
14 Q. Okay. What was your position before that?
15 A. I was general manager North America Hawaii/Guam
16 sales.
17 Q. Okay. So now you're Alaska, Guam, Puerto
18 Rico --
19 A. Correct.
20 Q. -- and Hawaii?
21 A. Correct.
22 Q. What's your business address, sir?
23 A. 5000 East Spring Street, Long Beach,
24 California.
25 Q. And what is --

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1 they were very concerned about us touching that at CLTL,
2 because they had about a \$1200 spread, and they knew
3 that the motor carriers could not compete. It's not
4 their business to sort and stage cargo. Okay. They
5 operate on a more blow-and-go-type program, loading the
6 cargo in and out.

7 Q. Right.

8 A. So if you were to drop and make it easier for
9 them to compete, that they would wind up taking a
10 greater share of the market, so that specifically they
11 wanted us to keep the rates up where they were.

12 Q. They wanted to keep the structure the way it
13 was?

14 A. Right.

15 MR. RUDE: I have nothing further, Jon.

16 I'm sorry to keep you as long as I have.

17 THE WITNESS: No problem.

18 (Deposition concluded at 12:29 p.m.)

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20 ---oOo---

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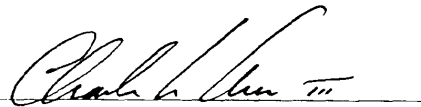
CHARLES W. BROWN III
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DECLARATION

I hereby declare I am the deponent in the within matter; that I have read the foregoing deposition and know the contents thereof, and I declare that the same is true of my knowledge except as to the matters which are therein stated upon my information or belief, and as to those matters, I believe it to be true.

I declare under the penalties of perjury of the State of California that the foregoing is true and correct.

Executed on the 11 day of September
2003, at Long Beach, California.



W I T N E S S

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The said deposition was taken down in shorthand by me, a disinterested person, at the time and place therein stated, and that the testimony of said witness was thereafter reduced to typewriting, by computer, under my direction and supervision;

I further certify that I am not of counsel or attorney for either or any of the parties to the said deposition, nor in any way interested in the event of this cause, and that I am not related to any of the parties thereto.

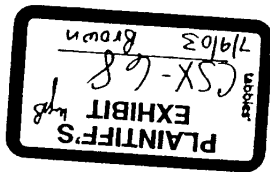
Natalie Y. Botelho
Natalie Y. Botelho, CSR No. 9897



Charles W. Brown III
General Manager, Sales, Western Region
Alaska / Guam / Puerto Rico / Hawaii

Horizon Lines

5000 East Spring Street • Long Beach, CA 90815 • Suite 700
Phone: 562.275.4401 • Fax: 562.275.4410 • Customer Service: 1.877.678.7447
charlewbrown@horizon-lines.com • www.horizon-lines.com



From: Rose, Michele [IMCEAEX_O=CSX_OU=SEATTLE_CN=RECIPIENTS_CN=L2015@CSX.com]
Sent: Tuesday, February 26, 2002 7:24 PM
To: Carr, Virginia
Cc: Downes, Dan
Subject: DHX.xls



DHX.xls

<<DHX.xls>> Per our conversation...hope this was what you were looking for.

Michele

