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May 8, 2006

Via Electronic Filing

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The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423

Re: STB Docket No. 42097
Albemarle Corporation v. The Louisiana and North West Railroad Company

Dear Secretary Williams:

Enclosed for filing in the above-captioned proceeding is **The Louisiana and North West Railroad Company's Answer** to the Complaint filed by Albemarle Corporation in this proceeding. A separate Motion to Dismiss Complaint and Reply In Opposition to Request for Consolidation is being filed simultaneously under separate cover.

Please contact me if you have any questions regarding this matter. Thank you.

Respectfully submitted,

Edward J. Fishman
Attorney for Louisiana and North West Railroad
Company

cc: Martin W. Bercovici, Esq. (via e-mail)

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

DOCKET NO. 42097

**ALBEMARLE CORPORATION
v.
THE LOUISIANA
AND NORTH WEST RAILROAD COMPANY**

**ANSWER OF THE LOUISIANA AND NORTH WEST
RAILROAD COMPANY**

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**ATTORNEYS FOR THE LOUISIANA AND
NORTH WEST RAILROAD COMPANY**

Dated: May 8, 2006

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

DOCKET NO. 42097

**ALBEMARLE CORPORATION
v.
THE LOUISIANA
AND NORTH WEST RAILROAD COMPANY**

**ANSWER OF THE LOUISIANA AND NORTH WEST
RAILROAD COMPANY**

Defendant The Louisiana and North West Railroad Company (“LNW”) respectfully submits this Answer to the Complaint filed by Albemarle Corporation (“Albemarle”) in this proceeding. LNW is filing simultaneously under separate cover a Motion to Dismiss the Complaint and a Reply in Opposition to Albemarle’s request to consolidate this proceeding with the declaratory order proceeding initiated by Albemarle in Docket No. 42096.

It would have been helpful if Albemarle had submitted its Complaint in the standard format for such a pleading, with separately numbered paragraphs and specific factual averments supporting its claims. Instead, Albemarle used a significant portion of its Complaint to remind the Board once again of Albemarle’s position in its dispute with LNW over intraplant switching, car storage and other real property issues and to express Albemarle’s lack of optimism about the April mediation session (which, not surprisingly given Albemarle’s attitude, did not result in a settlement).

Despite the shortcomings of the Complaint, LNW responds below to each full paragraph as follows (excluding the introductory paragraph on page 1 and Section V, which do not contain factual averments to which responses are required, and assuming for convenience that all other paragraphs starting with those set forth in Section I of the Complaint are consecutively numbered):

1. LNW admits that Albemarle operates a chemical production facility, known as the South Plant, that is located approximately 7 miles south of Magnolia, Arkansas. LNW denies the remaining allegations in Paragraph 1 of the Complaint because it lacks knowledge or information sufficient to form a belief as to their truth.

2. LNW admits that it is a Louisiana corporation with offices at 304 West Main Street, Homer, LA 71040. LNW admits that it is a Class III common carrier by rail that provides linehaul freight transportation service between McNeil, Arkansas, where it interchanges with the Union Pacific Railroad Company (“UP”), and Gibsland, Louisiana, where it interchanges with The Kansas City Southern Railway Company (“KCS”), a total distance of approximately 62.6 route miles. LNW admits that it provides linehaul rail transportation and other services to Albemarle’s South Plant, which is located along the LNW route between Gibsland and McNeil. LNW denies the remaining allegations of Paragraph 2 of the Complaint.

3. LNW admits that Albemarle produces bromine and bromine-related products at its South Plant, that Albemarle both ships outbound products and receives inbound materials by rail at the South Plant, that LNW provides intraplant switching, car storage and weighing services for Albemarle at the South Plant, and that LNW is the only railroad that currently provides origin and destination service to the South Plant. LNW avers by way of further response that, in 2005, LNW delivered approximately 1,319 loaded railcars to the South Plant, of

which approximately 588 were carloads of chlorine. LNW denies the remaining allegations of Paragraph 3 of the Complaint because it lacks knowledge or information sufficient to form a belief as to their truth.

4. LNW admits that Albemarle and LNW currently have a contentious relationship, that LNW notified Albemarle on November 23, 2005 that LNW would exercise its right to terminate certain track lease and pipeline agreements unless the parties reached a comprehensive agreement governing Albemarle's continued use of LNW's property, and that LNW notified Albemarle on that same date that LNW would cease providing intraplant switching services to Albemarle at the South Plant within 20 days unless the parties reached an agreement on the terms and conditions governing LNW's continued provision of such services to Albemarle. LNW denies the remaining allegations of Paragraph 4 of the Complaint.

5. LNW admits that Freight Tariff LNW 4030-A, issued February 17, 2006 and effective March 15, 2006, is attached as Exhibit 1 to the Complaint. LNW admits that Freight Tariff LNW 9501 and Supplement 1 to Freight Tariff LNW 9501 are attached as Exhibit 2 to the Complaint. LNW denies the remaining allegations of Paragraph 5 of the Complaint. LNW avers by way of further response that Freight Tariff LNW 4030-A, Freight Tariff LNW 9501 and Supplement 1 to Freight Tariff LNW 9501 speak for themselves.

6. LNW admits that meetings between LNW and Albemarle representatives took place in early December 2005 and January 2006 but denies the remaining allegations of Paragraph 6 of the Complaint.

7. LNW admits that, to the best of its information and belief, Albemarle has shipped only one carload of hazardous materials from the South Plant to the KCS interchange at Gibsland for subsequent delivery to a consignee served by the UP (at Galena Park, Texas)

pursuant to Freight Tariff LNW 4030-A for the portion of the movement on the LNW between the South Plant and the KCS interchange. LNW denies the remaining allegations of Paragraph 7 of the Complaint because it lacks knowledge or information sufficient to form a belief as to their truth.

8. LNW admits that it is the only railroad that currently provides origin and destination service to Albemarle's South Plant but denies the remaining allegations of Paragraph 8 of the Complaint.

9. Paragraph 9 of the Complaint states legal conclusions to which no responses are required; to the extent responses are deemed to be required, LNW denies the allegations in this Paragraph.

10. Paragraph 10 of the Complaint states a legal conclusion to which no response is required; to the extent a response is deemed to be required, LNW denies the allegations in this Paragraph.

DEFENSES TO COMPLAINT

1. The Board lacks jurisdiction to consider the Complaint because LNW lacks market dominance with respect to the traffic at issue.

2. The Board lacks jurisdiction to consider the Complaint for the reasons stated in the Motion to Dismiss that LNW is filing simultaneously herewith.

3. The Board lacks jurisdiction to consider the claims in the Complaint because the revenue-to-variable-cost ration of the traffic at issue is less than 1.8.

4. The level of the challenged rates is reasonable.

5. LNW has not violated its common carrier obligations.

6. The Board lacks authority and/or any reasonable grounds to grant any relief

sought by Albemarle in this proceeding.

WHEREFORE, LNW requests that the Complaint be dismissed with prejudice and that no relief of any kind be awarded to Albemarle, that LNW be awarded its costs, and that the Board grant LNW such other and further relief as may be appropriate.

Respectfully submitted,

By: _____


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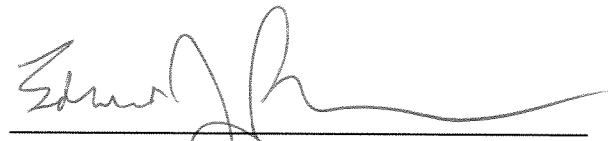
Washington, DC 20006

(202) 778-9000

CERTIFICATE OF SERVICE

I hereby certify that on May 8, 2006 a copy of the foregoing Answer was served by
electronic mail on:

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Edward J. Fishman