

BEFORE THE
SURFACE TRANSPORTATION BOARD

E I. DUPONT DE NEMOURS AND COMPANY)

Complainant,)

v.)

CSX TRANSPORTATION, INC.)

Defendant)

Docket No 42101



ENTERED
Office of Proceedings

NOV 19 2007

Part of
Public Record

ANSWER TO FIRST AMENDED COMPLAINT

Pursuant to 49 C.F.R. § 1111.4 and other applicable law and authority, Defendant CSX Transportation, Inc. ("CSXT") respectfully submits this Answer to the First Amended Complaint filed by Complainant E I. du Pont de Nemours and Company ("DuPont") in STB Docket No. 42101 on October 30, 2007 ("First Amended Complaint").

In response to the unnumbered paragraph on page 1 of the First Amended Complaint, CSXT denies that DuPont has paid or will pay common carrier rates in excess of a reasonable maximum rate for CSX's transportation of the movement set forth in the First Amended Complaint (the "issue movement"), and denies that DuPont is entitled to any of the relief it seeks in this proceeding. CSXT denies that the Surface Transportation Board (the "STB" or "Board") has jurisdiction over the challenged rates under the authorities cited by DuPont. CSXT denies that this proceeding qualifies for evaluation under the Three-Benchmark approach adopted in STB Ex Parte No. 646 (Sub-No. 1), *Simplified Standards for Rail Rate Cases* (served Sept. 5, 2007). The remainder of this unnumbered paragraph consists of a characterization of the First Amended Complaint, as to which no response is required. To the extent that any such response is required, CSXT denies the remaining allegations of this paragraph.

With respect to the numbered paragraphs of the First Amended Complaint, CSXT responds as follows.

1. CSXT lacks sufficient information to admit or deny the allegations of Paragraph 1 of the First Amended Complaint.

2. CSXT admits the first and second sentences of Paragraph 2 of the First Amended Complaint. CSXT admits that it is generally subject to Subtitle IV of Title 49 of the United States Code, and to the jurisdiction of the Board. CSXT denies that the challenged rates are subject to the Board's jurisdiction.

3 CSXT admits the allegations of Paragraph 3 of the First Amended Complaint.

4 CSXT admits the allegations of Paragraph 4 of the First Amended Complaint.

5. CSXT admits the allegations of Paragraph 5 of the First Amended Complaint.

6. CSXT denies that the issue movement travels the number of "loaded miles" alleged in Paragraph 6 of the First Amended Complaint. CSXT admits the remaining allegations of Paragraph 6 of the First Amended Complaint.

7. CSXT denies the allegations of Paragraph 7 of the First Amended Complaint

8. CSXT denies the allegations of Paragraph 8 of the First Amended Complaint

9. CSXT denies that the challenged rates are common carrier rates CSXT admits that the levels of the contract rates DuPont has challenged are approximately as stated in Paragraph 9 of the First Amended Complaint.

10. CSXT admits the first two sentences of Paragraph 10 of the First Amended Complaint. CSXT denies the remaining allegations of Paragraph 10 of the First Amended Complaint.

11. CSXT denies the allegations of Paragraph 11 of the First Amended Complaint.

12 CSXT denies the allegations of Paragraph 12 of the First Amended Complaint CSXT responds that DuPont's estimates of the variable costs and the revenue to variable cost ("R/VC") ratio for the issue movement are incorrect, and CSXT submits accurate estimates with this Answer

13. CSXT denies the allegations of Paragraph 13 of the First Amended Complaint

14. CSXT admits that it is the only rail carrier that provides service at the destination of the Pascagoula-Neuse movement. CSXT responds that there is effective competition for transportation service for the issue traffic, including competition by over-the-road motor carriers. CSXT admits that DuPont appended to the First Amended Complaint a narrative purporting to describe transportation alternatives for the issue movement. CSXT denies the remainder of Paragraph 14 of the First Amended Complaint

15. CSXT denies that the rate for the issue movement should be evaluated under the "Three Benchmark" standards. CSXT responds that, to the extent the Board has jurisdiction over the challenged rate, it must be evaluated under the Stand-Alone Cost

methodology, to allow full and adequate consideration of the extraordinary costs and other unusual characteristics of the issue movement. CSXT admits that if the rate for the issue movement were evaluated under the Three Benchmark approach, DuPont's relief would be limited to \$ 1 million over a five-year period.

16. CSXT denies the allegations of Paragraph 16 of the First Amended Complaint.

17. CSXT denies the allegations of Paragraph 17 of the First Amended Complaint.

18. CSXT denies the allegations of Paragraph 18 of the First Amended Complaint.

19. CSXT denies that the First Amended Complaint should be deemed to include adjustments to the challenged rates, including adjustments to the applicable fuel surcharges and any new rates established by CSXT after the filing date of the First Amended Complaint.

In response to the First Amended Complaint's prayer for relief (at 5-6), including the clauses numbered 1 through 6, CSXT denies that DuPont is entitled to any of the relief it seeks in this proceeding

Respectfully submitted,



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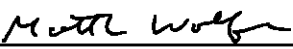
Counsel to CSX Transportation, Inc

Dated. November 19, 2007

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CERTIFICATE OF SERVICE

I hereby certify that, on the 19th day of November, 2007, I served a copy of the foregoing Answer and Initial Disclosures of CSX Transportation, Inc. on all parties of record in this proceeding.



Matthew Wolfe