

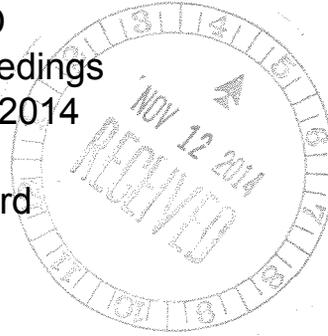
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November 12, 2014

Via Hand Delivery

Cynthia Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

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RE: STB Docket No. NOR 42125; *E.I. du Pont de Nemours & Co. v. Norfolk Southern Railway Co.*

Dear Ms. Brown:

Please accept the enclosed Petition for Reconsideration of E.I. du Pont de Nemours and Company for filing in the above-captioned proceeding. The Petition is Public, but the workpapers on the workpaper disks are Highly Confidential. The following items are enclosed:

- The original and 10 copies of the Petition.
- Three duplicate disks containing an electronic copy of the Petition, in PDF and MS Word formats.
- Three duplicate Highly Confidential electronic-workpaper disks. For security reasons, I will send you the password for the electronic workpapers separately.
- A check for the filing fee.

Also included is an additional copy of the Petition for stamp and return. Please date-stamp this additional copy and return it to the delivering messenger for delivery to our office.

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November 12, 2014
Page 2

If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,



Jason D. Tutrone

Enclosures

BEFORE THE
SURFACE TRANSPORTATION BOARD

E.I. DUPONT DE NEMOURS AND COMPANY)
)
 Complainant,)
)
 v.) Docket No. NOR 42125
)
 NORFOLK SOUTHERN RAILWAY)
 COMPANY)
)
 Defendant.)

PETITION FOR RECONSIDERATION OF
E.I. DU PONT DE NEMOURS AND COMPANY

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November 12, 2014

Filing contains color images

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PETITION FOR RECONSIDERATION

I. PREFACE AND SUMMARY OF ARGUMENT.

Pursuant to 49 C.F.R. § 1115.3, Complainant, E.I. du Pont de Nemours and Company (“DuPont”), respectfully petitions the Surface Transportation Board (“Board”) to reconsider, on grounds of material error, the March 24, 2014 decision and October 3, 2014 corrected decision (hereinafter the “Decision” and “Corrected Decision”) in the above-captioned proceeding.¹ A Board decision is subject to reconsideration for “material error.” 49 U.S.C. 722(c); 49 C.F.R. 1115.3(b)(2). The Board’s Decision in this case is rife with material errors that are procedural, substantive, and technical in nature. Indeed, the technical errors alone have required the Board to make a more than \$5 billion cumulative adjustment to the DCF model in the Corrected Decision. But as demonstrated in this Petition, the Board’s errors do not end there.

The absurd results that the Decision permits are substantial indicators of the errors contained therein. As illustrated in Part II, the Decision permits Norfolk Southern Railway Company (“NS”), which has been revenue-adequate longer than any other rail carrier, to charge DuPont rates above a 49,000% R/VC ratio before those rates would ever be considered unreasonable. Moreover, the Revenue Shortfall Allocation Method (“RSAM”) ratio for the DuPont Stand-Alone Railroad (“SARR”), called the DuPont Railroad (“DRR”), in 2012 is over 500%, which is a year in which the NS RSAM was only 283% and the NS average R/VC for STCC 28 traffic in general was 261%.

The primary driver of these absurd results is the Board’s decision to accept the NS operating plan in this case despite acknowledging serious flaws that, “in another context could be determinative in [the Board’s] evaluation of which operating plan to accept.” Decision at 45.

¹ Pursuant to decisions served in this docket on June 11 and October 9, 2014, the Board extended the time for filing Petitions for Reconsideration and extended the page limit to 50 pages. Pursuant to 49 C.F.R. § 1115.3(d), the Preface and Summary of Argument is separate from the Petition and does not count against the overall page limits.

Because the operating plan influences so many costs in the SAC analysis, the wholesale adoption of a seriously flawed plan has a disproportionately large impact. In Part III.A., DuPont contends that the Board could, and still should, solicit supplemental evidence to avoid having to rely entirely upon the flawed operating plan of either party to determine the reasonableness of the challenged rates. In Part III.B., DuPont also argues that it should be permitted to file supplemental evidence in response to the Board's application of Alternative ATC, which was not known to DuPont while developing its case-in-chief.

Apart from the operating plan, the Board also committed material error in 17 individual areas that significantly influence the DCF model:

1. Excavation Costs. The Board erroneously rejected DuPont's cost evidence for common earthwork excavation, clearing and grubbing, and seeding based upon the "Trestle Hollow Project." The Board failed to understand that DuPont submitted the Trestle Hollow evidence as a conservative *overstatement* of actual costs due to the greater complexity of that project relative to most of the SARR. The Board's selection of R.S. Means costs imposes even higher costs that are based upon averages from projects of all sizes, assume a unionized work force, and do not reflect economies of scale. The standard the Board sets for using real-world projects effectively condemns most complainants to these unquestionably excessive Means costs that always will overstate the cost truly available to a least-cost, optimally efficient SARR with enormous economies of scale. Such a result is inconsistent with SAC principles. See Part IV.A.
2. Land Valuation. Although the Board recognized that DuPont's approach to land valuation was consistent with Board practice, it concluded that, in this single instance, "the results are compromised by the atypical time period" of the 2009 recession. Decision at 146 (n. 407). But DuPont demonstrates that NS, not DuPont, has used an atypical period. Also, the Board's decision that the parties' valuation methodologies are secondary to the timing of land purchases ignored evidence that DuPont's methodology applied to NS's land valuations would have produced *lower* valuations than DuPont's own evidence. Part IV.B.
3. ATC-SQL Coding Mistake. The Board incorrectly rejected DuPont's correction of a technical error as improper rebuttal. That conclusion is predicated upon a factual error alleged by NS in its Final Brief and to which DuPont had no opportunity to respond. The Board also failed to address three key flaws in NS's reply evidence that under-allocated cross-over revenue to the SARR. Part IV. C.
4. Intermodal Revenue. The Board erroneously deprived the SARR of intermodal

- revenue that NS itself claims as rail revenue. First, the Board incorrectly determined that DuPont claimed revenue generated by non-rail activities and did not include all of the facilities needed to generate those revenues. Second, the Board improperly assumed that all intermodal revenue is non-rail related unless it appears in the rail waybill even though NS itself claims more than just the waybill revenue as rail revenue. Part IV.D.
5. Debt Amortization and Terminal Value Correction. Despite acknowledging that DuPont's evidence more closely follows industry practice, the Board rejected DuPont's approach to debt amortization based upon the materially inaccurate assertion that this approach would impede the ability of the SAC test to determine the SARR's ability to pay the cost of constructing, maintaining and operating its system. This claim is material error because repayment of any principal amounts borrowed is accounted for in the levelized stream of capital recovery payments, not in the debt amortization approach. For similar reasons, the Board erroneously rejected DuPont's interest rate in the terminal value correction. Part IV.E.
 6. PTC. The Board's decision to impose PTC upgrade costs upon the SARR created a barrier to entry in violation of contestable market theory. The Board compounded that error by also denying bonus depreciation to the SARR for its upgrade costs even though NS itself benefits from bonus depreciation for the same costs. Part. IV.F.
 7. Weighted Average Cost of Equity. The Board misrepresented its own precedent to justify giving only a one-twelfth weight to the 2006 cost of equity. Part IV.G.
 8. Ad Valorem Taxes. The Board erroneously accepted a new methodology proposed by NS for calculating ad valorem taxes that created an improper and nonsensical comparison between NS's profitability and the SARR's alleged profitability. Part IV.H.
 9. Intermodal and General Freight Car Costs. The Board erroneously rejected DuPont's modification to the NS reply evidence on intermodal and general freight equipment costs on grounds that DuPont's evidence was improper rebuttal, when in fact the allegedly improper rebuttal evidence was based upon NS's reply evidence. Part IV.I.
 10. Fringe Benefit Ratio. By adopting an average of the NS fringe benefit ratio and an even *higher* CSXT ratio, the Board violated the SAC principle that the SARR is a least-cost provider. The NS methodology also double-counts expenses. Part IV.J.
 11. ES44AC Locomotive Count. The Board erred when it adopted the NS locomotive counts based solely upon its adoption of the NS operating plan, without addressing a flaw raised by DuPont that was unrelated to the operating plan. The Board also erred by relying upon an incomplete and unresponsive correction in the NS Final Brief. Part IV.K.
 12. Intermodal and Bulk Transfer Facilities. The Board included costs for intermodal and bulk transfer facilities that are not located on either party's SARR. Part. IV.L.

13. Clearing and Grubbing. The Board erroneously accepted NS's clearing and grubbing costs, solely on the basis of its rejection of DuPont's Trestle Hollow evidence, without addressing DuPont's separate critique of the NS calculations. Part IV.M.
14. Railcar Dwell Times. The Board accepted the NS evidence of railcar dwell times based upon the factually incorrect assertion that DuPont's rebuttal dwell times "were based on expert judgment unsupported by any other evidence." Decision at 75. In actuality, DuPont accepted the NS dwell time evidence, but corrected NS's unrealistic application of those dwell times, consistent with proper rebuttal standards. Part IV.N.
15. Set Out Tracks and Electric Locks. Because the Board accepted DuPont's evidence on the number of failed equipment detectors ("FEDs"), it erred by accepting NS's evidence of set out tracks and electric locks, which are inextricably linked to the number of FEDs. Part IV.O.
16. Land Inflation Index. By not incorporating actual values where known, the Board shifted the quarterly capital recovery payments which are dependent, in part, on the quarterly inflation factors, thereby overstating the capital recovery charges. Part IV.P.
17. Equity Flotation and Real Estate Acquisition Costs. The Board's determination that equity flotation fees are an appropriate cost in the SAC analysis is a barrier to entry because NS has not demonstrated that it actually has incurred such costs. For the same reasons, real estate acquisition costs also are a barrier to entry.

For all of the foregoing reasons, DuPont requests that the Board reconsider all of the material errors in Part IV of this Petition and solicit supplemental evidence as discussed in Part III. DuPont is submitting work papers with this Petition that show how the Board can correct many of the material errors described below.

II. THE BOARD'S DECISION PERMITS RATES FAR IN EXCESS OF ANY RATIONAL STANDARD OF REASONABLENESS, DEMONSTRATES THAT THE SAC STANDARD DOES NOT WORK FOR CARLOAD SHIPPERS, AND EFFECTIVELY DEREGULATES CARLOAD RAIL RATES IN THE EASTERN UNITED STATES.

Congress has declared that, “[i]f the Board determines...that a rail carrier has market dominance over the transportation to which a particular rate applies,” as it did for 132 of the 138 lanes in DuPont’s complaint, “the rate established by such carrier for such transportation must be reasonable.” 49 U.S.C. § 10701(d)(1). The Board’s Decision, however, permits NS to establish rates for DuPont’s traffic that simply cannot be “reasonable” in light of a variety of common benchmarks or under any rational standard. The results of the Decision are so extreme as to permit already-stratospheric rates on chemicals currently charged by a revenue adequate carrier to multiply many times over and still be “reasonable.” The Decision, if not modified through the process of reconsideration, effectively deregulates carload rates in the Eastern United States and perhaps nationwide, demonstrates that the Board’s SAC standard does not work for complex litigation involving multi-lane carload traffic and raises doubt as to the Board’s credibility in assessing rate reasonableness when, as here, the SAC model is inadequate for the job.

Moreover, although DuPont has spent more than 3 years and millions of dollars in direct litigation costs, the evidentiary rulings in the Decision effectively require DuPont and all future complainants to spend even more time and money in order to have any chance of succeeding in what already is an extremely expensive and lengthy effort to enforce the statutory “reasonableness” standard, thus terminally chilling any future attempt by carload shippers to challenge excessive rail rates. This result, DuPont submits, cannot be what the Congress intended when it directed the Board to ensure reasonable rail rates for captive shippers.

Exhibit 1 to this Petition sets out the 132 lanes determined by the Board to be market dominant, and provides basic information about those movements including their revenue to

variable cost ratios as determined by the Board in the Decision. Exhibit 1d shows that the R/VC ratios for these 132 movements range up to an astronomical 898%.² The average R/VC ratio applicable those movements is 529%.³ In other words, the rates actually charged DuPont are over five times the carrier's variable cost of providing the service. The Decision finds that DuPont, in the case of every challenged rate in this proceeding, "has failed to show that the rates NS charges on the issue traffic are unreasonable." Decision at 16.

But as disturbing as that finding is, the direct implication of the Decision is far, far worse. In the October 3, 2014 Corrected Decision, the Board corrected "technical errors" totaling billions of dollars, so that the net present value ("NPV") "deficit" in the Discounted Cash Flow ("DCF") analysis now totals \$6.453 billion, compared to a NPV deficit in the March 24 Decision of \$1.048 billion (i.e., a deficit more than six times greater).⁴ In other words, under the Board's Corrected Decision, NS could charge DuPont, and/or any of the market-dominant traffic included in the DuPont SARR, rates with a NPV totaling \$6.453 billion more than the stratospheric rates that NS presently is charging, before any rate would even begin to be considered "unreasonable." The NPV amount will increase by an additional \$700 million based upon a second Joint Petition for Technical Corrections that the parties have submitted simultaneous with this Petition.

The implications of the Decision are chilling. For example, as set forth in Exhibit 2 to this Petition, based upon the choices made by the Board in the Decision, NS would be able to charge DuPont rates with R/VC ratios ranging from 6,105% to 49,836%, over the 10 year DCF period before those rates would be deemed unreasonable. Moreover, according to *dicta* in the

² Col. (8), Line 146.

³ Col. (11), Line 144.

⁴ In other words, the revenue that NS is forecast to receive from all of the traffic on DuPont's SARR is \$6.453 billion in NPV below the DuPont SARR's revenue requirements over the 10-year DCF period. What makes this conclusion all the more astonishing is the fact that the SARR is intended to be an optimally-efficient rail carrier, perfectly sized to transport the SARR's traffic, which traffic in turn is specifically chosen to maximize the SARR's efficiencies.

Board's recent decision in Intermountain Power Agency v. Union Pac. R.R. Co., Docket No. NOR 42127, slip op. at 3 (n. 11) (served Nov. 2, 2012), NS theoretically could increase the challenged rates immediately by ten-fold or more and DuPont would have no recourse to challenge those rates until 2020.⁵ Such a result defies all reason.

Even if the NPV deficit were spread widely across all potentially captive traffic on DuPont's SARR, the results are extreme. In Exhibit 3, DuPont shows that, if the \$6.453 billion NPV deficit was spread over every SARR movement with an R/VC > 180% (i.e. RSAM), the average R/VC ratio that NS could have charged under the Decision in 2012 was over 534%, before any rate would be "unreasonable." Thus, even if each and every shipper of every potentially captive movement on the DuPont SARR would have joined in this complaint, under the Decision, NS could have charged those shippers rates, on average, that exceeded its variable cost by over five times before those rates would be "unreasonable."

The marketplace and regulatory implications of the Decision are extremely troubling. The Board's own Commodity Revenue Stratification Report for 2012 shows that, for chemical traffic (STCC 28), the average revenue to variable cost ratio for potentially captive movements (R/VC > 180) was 261% in 2012.⁶ The results of the Decision imply that NS would be free, on average, to nearly double the already-high rates on this potentially market-dominant traffic before it even would begin to risk running afoul of the statute's "reasonableness" standard as

⁵ However, the Board's more recent decision in Docket No. NOR 42130, SunBelt Chlor Alkali Partnership v. Norfolk Southern Ry. Co., slip op. at 29 (served June 20, 2014), suggests that DuPont could challenge immediately any increase to the challenged rates.

⁶ See, [www.stb.dot.gov/IndustryData/EconomicData/Financial and Statistical Reports/Commodity Revenue Stratification Reports/2012, STCC 28, Chemical Products](http://www.stb.dot.gov/IndustryData/EconomicData/FinancialandStatisticalReports/CommodityRevenueStratificationReports/2012/STCC28/ChemicalProducts). Even if the specific subgroups of chemical traffic in DuPont's complaint are considered, the result is approximately the same. For example, though the Decision encompasses 132 market dominant lanes, just five 5-digit STCC numbers make up about seventy percent of the traffic: STCC 28193 (Sulphuric Acid); 28139 (Industrial Gases NEC); 28161 (Titanium Pigments); 28122 (Sodium Alkalies); and 28182 (Acyclic Organic Chemicals). The weighted average R/VC ratio calculated from the Board's Expanded Commodity Revenue Stratification Report for 2012 (tank cars) for these 5-digit STCC numbers is slightly over 270%. See, [www.stb.dot.gov/IndustryData/EconomicData/Financial and Statistical Reports/Expanded Version of Commodity Revenue Stratification Reports/2012, STCC 28193, 28139, 28161, 28122, and 28181](http://www.stb.dot.gov/IndustryData/EconomicData/FinancialandStatisticalReports/ExpandedVersionofCommodityRevenueStratificationReports/2012/STCC28193/28139/28161/28122/and28181).

implemented by the Board through its reliance on the SAC methodology. When the rates in the Decision are compared to the rates in the marketplace, it is clear that the practical effect of the Board's decision is to deregulate carload rail rates.

Similarly, the rates that NS actually charges DuPont for the movements in this complaint, or could charge DuPont under the direct implications of the Decision, are multiples of the Board's own general rate benchmarks. As noted above, the average 2012 RSAM for the DuPont SARR is 529%. But, the 4-year average RSAM "benchmark" for the NS (i.e., the average markup that the NS would need to charge all of its potentially captive traffic in order for the railroad to earn adequate revenues) was only 283% in 2009-2012.⁷ Similarly, the 4-year average R/VC_{>180} for NS over the same time period was 276%.⁸ Thus, the average R/VC ratio of the rates challenged by DuPont was in the far upper reaches of the rates that NS actually charges its most captive traffic (i.e., the R/VC_{>180}) and far, far above the average rate that the NS would need to charge its potentially captive traffic to be revenue adequate – but, under the Decision, those rates still were not shown to be unreasonable and could increase many times over before approaching an unreasonable level.

The Board reached these results through a series of procedural and substantive errors that led to its wholesale acceptance of NS's operating plan, despite acknowledging serious flaws in that plan. Despite its "well-established" authority to make adjustments to the parties' operating plans, the Board did not do so in this case. Decision at 45, n. 98. Instead, it looked at the two operating plans, identified significant flaws in both, and then selected what it considered to be the lesser of two evils. Id. at 43. The Board appears to have taken this "all-or-nothing" approach because it lacked the ability to make appropriate adjustments to the parties' operating plans

⁷ See, Simplified Standard for Rail Rate Cases – 2012 RSAM and R/VC_{>180} Calculations, Ex Parte No. 689 (Sub No. 5) (served April 21, 2014).

⁸ Id.

without the assistance of the parties themselves. Id. at 42, 45-46.

However, the Board is not bound by the parties' evidence, and indeed, it has a duty to solicit whatever additional evidence it needs to fulfill its responsibility to ensure reasonable rates. Specifically, the Board has a responsibility to not "simply...act as an umpire, calling balls and strikes;" rather, it is "the 'guardian of the general public interest,' with a duty to see that this interest is at all times effectively protected."⁹ In order to carry out this responsibility, the Board must not make itself "the prisoner of the party's submissions, but rather [has] the duty to 'weigh alternatives and make its choice according to its judgment of how best to achieve and advance the goals of the National Transportation Policy.'"¹⁰

The Board committed material error by making itself the prisoner of NS's flawed operating plan rather than soliciting supplemental evidence sufficient to determine a reasonable rate based upon a credible and realistic operating plan. That error is particularly egregious in this case because, as discussed in Part III.A below, NS violated the Board's own procedures by submitting an operating plan that was completely divorced from DuPont's opening evidence, thereby creating the evidentiary mismatch that forced the Board into an "all-or-nothing" choice. That error must be corrected by reopening the record to receive supplemental evidence.

In addition to its multiple errors in accepting NS's operating plan, the Board also made serious errors in evaluating the evidence. As with the technical errors addressed in the Corrected Decision, the substantive errors are also of unprecedented number, scope and magnitude. Those substantive errors, which are presented in Part IV below, individually impact the NPV of the DCF analysis within a range of \$29 million to \$1.3 billion per error, with a cumulative NPV

⁹ Pub. Serv. Co. of Colo. v. Burlington N. & Santa Fe Ry. (PSCo/Xcel), STB Docket No. 42057, slip op. at 3-4 (served Jan. 19, 2005), quoting H.R. Doc. No. 678, Practices and Procedures of Governmental Control of Transportation, 78th Cong., 2d Sess., at 53 (1944).

¹⁰ Id., slip op. at 4, quoting Baltimore & Ohio R.R. v. United States, 386 U.S. 372, 429 (1967) (Brennan, J., concurring).

impact of over \$3.4 billion even before the effects of supplemental evidence are factored into the equation. As a “guardian of the public interest,” the Board has a duty to correct these errors which permit rates that, as demonstrated above, cannot be considered “reasonable” under any rational standard.

III. THE BOARD SHOULD PERMIT DUPONT TO FILE SUPPLEMENTAL EVIDENCE.

The Board should permit DuPont to file supplemental evidence on two independent grounds. First, the Board committed multiple material errors when it allowed NS to submit an entirely new operating plan that was completely divorced from DuPont’s opening evidence. Second, the Board’s adoption of Alternative ATC altered a fundamental SAC rule that would have changed how DuPont designed the SARR.

A. The Board’s Acceptance of An Entirely New Operating Plan From NS Was Material Error.

The Board committed multiple errors when it accepted an entirely new operating plan from NS. First, in subpart A.1., below, DuPont demonstrates that the Board should have rejected NS’s entirely new operating plan because the record shows that NS could have corrected the two primary deficiencies that the Board found in DuPont’s operating plan without starting over from scratch. Moreover, once the Board concluded that both parties’ operating plans had serious flaws, it had a duty to solicit supplemental evidence sufficient to determine rate reasonableness without having to rely entirely upon the flawed operating plan of either party. Second, in subpart A.2., DuPont shows that the “missing trains” in its operating plan were the result of undisclosed limitations in the NS traffic data and that supplemental evidence is required to permit DuPont to address those belatedly disclosed data deficiencies. Finally, in subpart A.3., DuPont asserts that the Board’s acceptance of NS’s MultiRail evidence constituted material error because NS failed to file with the Board, or to provide DuPont, the fully-functional version of MultiRail that NS

used to create its operating plan. The foregoing errors require the Board to reject NS's operating plan and solicit supplemental evidence that corrects the deficiencies identified in DuPont's plan.

1. **The Board had a duty to solicit supplemental evidence sufficient to permit it to determine the reasonableness of the challenged rates without having to rely entirely upon the flawed operating plan of either party.**

The Board's "duty" in contested matters "is to weigh alternatives and make its choice according to its judgment how best to achieve and advance the goals of the National Transportation Policy," Baltimore & Ohio R.R. Co. v. U.S., 386 U.S. 372, 430 (1967) (Brennan, J., concurring), including "maintain[ing] reasonable rates where there is an absence of effective competition." 49 U.S.C. §10101(6). The Board is no mere "passive arbiter" in these cases, and it must not permit itself to become "the prisoner of the parties' submissions." Baltimore & Ohio R.R. Co., 386 U.S. at 429 (Brennan, J., concurring) (internal quotations omitted). Rather, to fulfill its role as "the guardian of the general public interest," the Board must "make full use of the expert knowledge of commissioners and staff." Id. at 429 n. 23. "[T]he right of the public must receive" the Board's "active and affirmative protection." N.E. Cent. R.R., Inc.—Acquisition & Operation Exemption—Lines Between E. Alburgh, VT & N. London, CT, ICC Finance Docket No. 32432 (Decision served Dec. 9, 1994), 1994 WL 698768, at *21 n.49.

In order to facilitate the performance of its duty, the Board acknowledged in the Decision that, "[i]n most circumstances, [it] would...require the defendant in a SAC case to make any necessary corrections to the complainant's opening evidence rather than submitting something entirely new on reply, to avoid having operating plans so different as to impede comparison." Decision at 41, citing Gen. Procedures for Presenting Evidence in Stand-Alone Cost Rate Cases, 5 S.T.B. 441, 446 (2001). But the Board declined to follow its required course here. See generally Motor Vehicle Mfrs. Ass'n of the United States v. State Farm Mut. Auto. Ins. Co., 463

U.S. 29, 48 (1983) (agency must explain departure from its precedent). Rather, the Board permitted NS to submit an entirely new operating plan instead of correcting the alleged errors in DuPont's plan. The Board then compounded its error by taking an all-or-nothing approach in deciding which operating plan to adopt, instead of soliciting supplemental evidence in order to obtain the very apples-to-apples evidentiary comparison that this rule is intended to promote. This is a material error requiring reconsideration of the Board's Decision.

NS justified its decision to create a new operating plan out of whole cloth on the grounds that DuPont's operating plan was "irreparably deficient." NS Reply at III-C-155. But if DuPont's operating plan actually had been "so flawed as to preclude the development of appropriate reply evidence to address the flaws," NS was required to "file a separate motion bringing that problem to the Board's attention." Duke Energy Corp. v. CSX Transp., Inc., 7 S.T.B. 89, 101, n. 20 ("Duke/NS") [underline added]. An entirely new operating plan with no connection at all to the complainant's opening evidence cannot constitute "appropriate" reply evidence and still give meaning to the foregoing requirement because a new operating plan does not correct the shipper's evidence, but rather, it replaces that evidence. NS's failure to follow this requirement created the very apples-to-oranges evidentiary difficulties that this requirement is designed to avoid. Specifically, the Board was forced to choose the entire operating plan of one party, without the ability to correct deficiencies, thus making it "the prisoner of the party's submissions."

Furthermore, the very factual premise that DuPont's operating plan was "irreparably deficient" is contradicted by the record. To the extent that DuPont's operating plan was deficient, it was not irreparable. The two principle deficiencies cited by the Board were missing trains and car classification counts at intermediate yards. Decision at 37-40. Because both of

those deficiencies were correctible without creating a brand new operating plan, the Board committed material error by accepting NS's entirely new operating plan instead of requiring NS to correct those deficiencies within the contours of DuPont's opening evidence.

There can be no question as to the ability of NS to make corrections to DuPont's evidence by adding the missing trains itself rather than submitting completely new evidence. As the Board observed, NS provided a list in its reply evidence that identified every single one of the alleged missing trains. *Id.* at 38. NS has never explained why it could not have added those trains itself, but instead needed to begin anew, contrary to the Board's requirement that defendants make any necessary corrections to the complainant's opening evidence. *Id.* at 41. To its credit, the Board does not assert that the missing trains justified NS's decision to create a new operating plan, although it does cite the missing trains as a reason for choosing the NS operating plan over DuPont's plan. *Id.* at 45

The Board, however, does justify the NS submission of a new operating plan based upon DuPont's omission of car classification counts on opening. According to the Board, because there was nothing for NS to correct on reply, NS needed to supply its own analysis. *Id.* at 41-42. But, the need for NS to supply its own car classification counts does not equate to a need to create an entirely new operating plan. That is tantamount to the tail wagging the dog. As NS indicated in its Reply, and as DuPont proved in its Rebuttal, all of the data required to make the needed calculation was included in DuPont's opening evidence. In fact, NS conceded that "[t]he procedure described by DuPont [in Rebuttal] for determining the DRR's car classification requirements is conceptually sound—indeed, it is the same process that, NS explained, DuPont could (and should) have used to develop a car classification plan on Opening." NS Final Brief at 24. After correcting a technical flaw in DuPont's execution of this procedure in rebuttal, NS

acknowledged that “the [software] program correctly extracts all instances in which NS cars changed trains and/or blocks in the Base Year.” *Id.* Thus, it clearly was possible for NS to correct the deficiencies in DuPont’s operating plan, without resorting to an entirely new plan. In other words, DuPont’s operating plan was not “irreparably deficient,” even by NS’s own admission, which means that there was no basis for NS’s submission, or the Board’s acceptance, of an entirely new operating plan on reply.¹¹

Once the Board accepted NS’s operating plan into evidence in contravention of its own procedural rules, thereby creating an apples-to-oranges comparison, the Board had a duty to solicit supplemental evidence sufficient to permit it to determine the reasonableness of the challenged NS rates without having to rely entirely upon the flawed evidence of either party. Because of the missing trains and car classification counts in DuPont’s operating plan, the Board accepted the NS operating plan in its entirety, despite acknowledging that DuPont’s complaints about the NS operating plan “are not trivial” and that the NS operating plan “is not without its flaws,” including “an issue that, in another context could be determinative in our evaluation of which operating plan to accept.” *Decision* at 43, 45. Rather than choose between two flawed operating plans, the Board could and should have solicited supplemental evidence to correct the two primary deficiencies in DuPont’s operating plan, because NS had refused to do so on reply.

In order to fulfill its statutory responsibilities as a guardian of the public interest, the Board has sought supplemental evidence from parties in SAC cases when necessary to obtain an adequate record upon which to decide a case. In Otter Tail Power Co. v. Burlington Northern & Santa Fe Ry. Co., STB Docket No. 42071 (served Dec. 13, 2004), the Board requested

¹¹ The absence of car classification counts in DuPont’s Opening also is the Board’s justification for accepting NS’s use of the MultiRail software package. *Decision* at 41-42. But, as the preceding paragraph proves, NS has conceded that MultiRail was not necessary to develop car classification counts, thus annulling the Board’s rationale for accepting NS’s MultiRail-based evidence.

supplemental evidence because a sharp disagreement between the parties as to what traffic is appropriate to include in the SARR traffic group had resulted in each party proposing very different operating plans. According to the Board, the very different operating plans presented the Board with an incomplete record:

If we should determine that we do not agree with the entire position of either party, we may be left without the evidence needed to complete our SAC analysis. Alternatively, if we agree in principle with one party's position, we would be left with evidence that has not been tested through the adversarial process. Either way, the manner in which the parties have presented their evidence will have frustrated our regulatory review process.

We need not be confined to the parties' evidentiary choices. When necessary to fulfill our responsibilities, we may seek additional evidence from the parties, so that we will have an adequate record upon which to decide the case. Towards that end, the parties are directed to submit supplemental evidence containing an operating plan designed to serve the traffic group advocated by its opponent.¹²

Similarly, in Arizona Electric Power Cooperative v. Burlington Northern & Santa Fe Railway, STB Docket No. 42058, slip op. at 3-4 (served Nov. 19, 2003), the Board requested supplemental evidence after the complainant "mistakenly concluded that the train movement data reflected more traffic than the traffic data it had been supplied in discovery, and [attempted] to reconcile the seeming inconsistency between the two databases," resulting in the improper treatment of some empty movements as loaded movements. As DuPont has demonstrated in its Rebuttal Evidence, the NS train and car-event data were irreconcilable in many instances, which placed DuPont in the position of having to assess which data set was more correct than the other.¹³ Because the Board disagreed with those assessments and NS did not attempt to correct DuPont's operating plan on reply, the Board should have solicited supplemental evidence to add those missing trains rather than blindly adopt the flawed and procedurally improper NS plan.

¹² Id. at 1-2. See also, AEP Texas North Co. v. BNSF Ry. Co., STB Docket No. 41191 (Sub-No. 1) (served March 17, 2006).

¹³ See, Dup. Reb. Ex. III-C-1 at 9-10 and 20-35.

By accepting the NS operating plan, with all its flaws, because of two readily correctible problems with DuPont's plan, the Board made itself "the prisoner of the party's submissions." The Board allowed NS to force this situation upon it by permitting NS to present an entirely new operating plan rather than correct the flaws identified in DuPont's plan. As such, the Board concluded that it had no choice but to accept its determination of the lesser of two evils when, in fact, the Board had both the authority and the duty to solicit additional evidence needed to carry out its responsibility as a guardian of the public interest.¹⁴ The Board abdicated that responsibility when it accepted an admittedly flawed NS operating plan which produces results that are neither credible nor realistic.

2. The Board's selection of the NS operating plan due to missing trains in DuPont's plan was material error because the missing trains were caused by undisclosed limitations in NS's traffic data.

The Board rejected DuPont's operating plan in favor of the NS plan, in large part, because of the allegedly missing trains identified by NS. Decision at 37-39, 45. Although DuPont attributed any missing trains to flaws and deficiencies in the NS traffic data, the Board concluded that DuPont's train selection methodology was the primary reason for the missing trains. Id. at 39. But, even if this were true, NS never informed DuPont of the limitations in its data that would have alerted DuPont to flaws in its train selection methodology or otherwise enabled DuPont to develop a proper methodology. Consequently, the Board's wholesale rejection of DuPont's operating plan and corresponding wholesale acceptance of the NS operating plan was material error.

In contrast, in Docket No. 42121, Total Petrochemicals & Refining USA, Inc. v. CSX Transportation, Inc., CSX Transportation, Inc. ("CSXT"), as part of its discovery responses, provided Total with a letter containing lengthy explanations of its traffic data:

¹⁴ See notes 8 and 9 above.

[T]his letter and CSXT's productions provide extensive explanatory information in response to TPI's request that CSXT explain how TPI can "utilize" and "evaluate" CSXT's traffic data. See TPI Request for Production 23. Section I of this letter explains four key concepts that TPI should have in mind as it evaluates the traffic event data. Section II describes the event data and the decoders CSXT has provided for it, and discusses some ways that TPI can link and better understand the data.¹⁵

Total "used the letter to guide the development of its train lists and operation plan,"¹⁶ which led it to employ a different methodology from that used by DuPont. It is particularly notable that, although DuPont Request for Production 23 is identical to TPI Request for Production 23 to which the CSXT letter responded,¹⁷ NS did not provide any comparable explanations to DuPont in its discovery responses.¹⁸

This failure by NS proved to be highly consequential to DuPont's operating plan. Information obtained from NS's Reply Evidence in Docket No. 42130, SunBelt Chlor Alkali Partnership v. Norfolk Southern Ry. Co. ("SunBelt"), reveals that NS's failure to identify one specific limitation in its train event data was responsible for nearly all of the missing trains using DuPont's methodology. The DuPont methodology, which is the process employed by shippers and railroads alike in prior cases, was to select trains that reported two or more events on the SARR based upon the train event data. If a train reported only one event on the SARR, DuPont excluded that train because the data did not indicate that the train moved over the SARR, but simply touched a single point on the SARR, such as a yard, and either terminated or continued over a different NS line. The vast majority of the missing trains were present in the train event

¹⁵ Docket No. 42121, Op. Ev. of Total Petrochemicals & Refining USA, Inc., Ex. III-C-2, p. 2 (filed Feb. 18, 2014) (Public Version) [underline added].

¹⁶ Id., Ex. III-C-1, p. 7.

¹⁷ Compare Exhibit 4 (Total RFP No. 23, which is excerpted from Attachment 1 to Total's "Second Motion to Compel," filed Nov. 16, 2010 in Docket No. NOR 42121) with Exhibit 5 (DuPont RFP No. 23).

¹⁸ The Board also faults DuPont for not filing a motion to compel the production of proper data. Decision at 39. That, however, presumes the existence of any better data in the first place. This was not a matter (to DuPont's knowledge) of NS withholding data from DuPont, but rather the proper disclosure by NS of limitations in the quality of its data for SAC purposes.

data but were intentionally excluded by DuPont because they reported just one or no events on the SARR. Dup. Reb. Ev. at III-C-24 to 26. In SunBelt, however, NS represented that “local trains frequently work in and around a single operating station (which, for consistency, is identified in the NS train-event data by a single milepost designation) and travel only a few miles.”¹⁹ This information concerning NS’s practice of using a single milepost designation for operating stations, which caused local trains to record only one event on the SARR, was never provided to DuPont.²⁰ If it had been, DuPont would have been on notice that the train selection methodology used in past cases would not capture all essential trains in this case.

The Board repeatedly has held that “the parties are entitled to reasonably rely on evidence the other side supplied in discovery, and that defendants cannot impeach . . . evidence with information defendants failed to produce in discovery.”²¹ But that is exactly what NS did by failing to disclose and explain deficiencies in its traffic data until its reply evidence.²² Because NS failed to qualify or explain its train event data during discovery, it could not subsequently criticize DuPont’s use of that data based upon the undisclosed information. Even if DuPont might have discovered the problem based upon inconsistencies with other information produced by NS, DuPont was not obligated to verify that all materials produced in discovery are in agreement, or to verify that the data is correct and supported.²³ Therefore, the Board’s rejection of DuPont’s operating plan based upon flaws in its train selection methodology was material

¹⁹ Docket No. 42130, Reply Ev. of Norfolk Southern Ry. Co., at III-C-25 (filed Jan. 7, 2013) (Public Version) [underline added].

²⁰ In its recently-served final decision in SunBelt, the Board denied a Motion to Strike on grounds that NS had failed to provide that very same information to SunBelt. See id., slip op. at 7 (served June 20, 2014). The traffic data that NS produced to SunBelt was the very same data produced to DuPont, because NS agreed to permit SunBelt to use the DuPont data in order to avoid producing the same data twice. See Exhibit 6 (Oct. 11, 2011 letter from M. Warren to J. Moreno).

²¹ Ariz. Elec. Power Coop. v. BNSF Ry., STB Docket No. NOR 42113, slip op. at 103 (served Nov. 22, 2011); see also AEP, slip op. at 80-81, 83; PSCo/Xcel, 7 S.T.B. 589, 630-31, 683 (2004); Western Fuels Assoc., Inc. v. BNSF Ry. Co., STB Docket No. 42088, slip op. at 101-02 (served Sept. 10, 2007) (“WFA/Basin I”).

²² See Dup. Reb. Ex. III-C-1 at 5-6, 13-14, 16, 22, and 31. Of particular note in this case, the NS Reply did not mention at all the most significant limitation, described above, even though NS did so in SunBelt, thereby denying DuPont an opportunity even to address that limitation in rebuttal by making appropriate adjustments to its evidence.

²³ See WFA/Basin I, slip op. at 102, 111 n. 395.

error because those flaws were the product of NS's failure to provide responsive and critical information during discovery that would have alerted DuPont to the limitations of its train selection methodology.²⁴ The Board should permit supplemental evidence to allow DuPont to address these belatedly disclosed data deficiencies.

3. The Board's acceptance of the MultiRail software to create NS's new operating plan was material error.

To make matters worse, NS created its operating plan using MultiRail, a software package that NS then failed to introduce into evidence, making it impossible to account for unnecessary costs in NS's plan.²⁵ The Board indicated that it relied on DuPont's **limited** "critique" of NS's plan to overcome a lack of access to the software, see Decision at 42-43; but without the fully functional version of MultiRail that NS used to create its plan,²⁶ DuPont could not fully test the software's methods or divine flaws in NS's analysis.²⁷ The fact that DuPont was able to divine certain information about NS's operating plan from the read-only version of MultiRail is distinctly different from being able to fully test, manipulate, and correct the MultiRail based inputs and outputs. "When one party seeks to present a computer study, ... the discovering party not only must be given access to the data that represents the computer's work product, but he also must see the data put into the computer, the programs used to manipulate the data and produce the conclusions, and the theory or logic employed by those who planned and executed the experiment." Bartley v. Isuzu Motors Ltd., 151 F.R.D. 659, 660-61 (D. Col. 1993)

²⁴ Cf. Duke Energy Corp. v. CSX Transp., Inc., 7 S.T.B. 89, 450-51 (2004) (because defendant identified a problem with its traffic data during discovery and provided supplemental information to address the problem, complainant could not ignore the matter).

²⁵ Although the Board declined NS's offer to temporarily make available the MultiRail software for use by the Board in this proceeding, the appropriate way for NS to submit MultiRail into evidence was to file the software as part of its evidence, which would have avoided the concerns expressed by the Board in declining the NS offer. NS refused to do so.

²⁶ NS may resurrect its argument that DuPont was required by the "American Rule" to purchase its own license to the fully-functional version of MultiRail in order to critique the NS evidence. See "Norfolk Southern Ry. Company's Petition for Clarification," filed Jan. 25, 2013. To the extent that NS may do so, DuPont hereby incorporates its Reply. See "Complainants' Joint Reply to Defendant's Petition for Clarification," filed Feb. 14, 2013.

²⁷ See Dup.. Reb. Ev. at III-C-95-96 (explaining how limited access to MultiRail impeded DuPont's evaluation of train schedules); 135 (describing DuPont's inability to correct errors in NS locomotive counts without access to a fully-functional version of MultiRail).

(emphasis added). By not providing DuPont with the same fully-functional version of MultiRail that NS itself used to manipulate the data and produce its conclusions, NS has not fulfilled its evidentiary obligations.²⁸ Thus, the Board committed material error when it accepted the NS operating plan based upon a software package that NS refused to submit into evidence or to serve upon DuPont.

Because NS did not submit MultiRail as part of its evidence, but only provided the Board with the software's outputs, the Board could not fulfill its mandate to be more than an umpire calling balls and strikes. See Part III.A.1 above. The Board has admitted that it could not independently review the NS evidence because it did not have access to MultiRail:

[E]ven assuming arguendo that modification of NS's operating plan to address the rerouting concerns raised by DuPont is appropriate in this case, we would be unable to do so given the evidence of record.

Decision at 45-46 [footnote omitted]. The Board incorrectly attributes its inability to modify the NS operating plan to DuPont, id., when the fact of the matter is that, without access to MultiRail itself, the Board had no ability at all to modify the NS operating plan, which is why the Board's only other option was to accept the NS plan in its entirety, despite acknowledging its serious flaws.²⁹ Although the Board noted its "well-established" authority to make adjustments to the parties' operating plans, the Board's acceptance of NS's evidence based upon MultiRail

²⁸ NS may contend that DuPont waived this argument, just as NS has argued in reply to the same reconsideration issue raised in SunBelt. *See* Docket No. NOR 42130, "Norfolk Southern Railway Company's Reply to SunBelt Chlor Alkali Partnership's Petition for Reconsideration," pp. 16-17 (filed Sept. 9, 2014). NS's contention is based upon the Board's March 27, 2013 decision denying an NS Petition for Clarification in both the SunBelt case and this case ("MultiRail Decision"). In the MultiRail Decision, the Board denied the NS Petition as moot because DuPont sought access to the same version of MultiRail provided to the Board and the Board recently had declined NS's attempt to provide it with MultiRail without actually submitting the software into evidence. Id., slip op. at 2-3. In a separate determination, however, the Board also concluded that it still could evaluate NS's MultiRail evidence without the software. Id. at 3 (n. 14). DuPont's subsequent evidentiary submissions continued to challenge this latter determination. Dup. Rev. at I-107 to 117. The Board rejected those arguments in the Decision. This Petition challenges that conclusion as material error, which is an argument that DuPont has never waived in this proceeding.

²⁹ Decision at 43, 45 (DuPont's complaints about the NS operating plan "are not trivial;" the NS operating plan "is not without its flaws," including "an issue that, in another context could be determinative in our evaluation of which operating plan to accept.").

precluded the Board from doing just that.³⁰

These concerns are especially prevalent here, where NS used MultiRail to create evidence based on a multitude of inputs and iterative runs, making constant adjustments along the way.³¹ Without access to the same fully-functional version of MultiRail that NS used to create its operating plan, DuPont was unable to modify the NS plan to correct for inefficiencies that such manipulations deliberately or inadvertently introduced.³² Without any access to MultiRail at all, the Board had even less ability to do so.³³

The Board's assertion that it does not need access to MultiRail because "it is able to analyze its inputs and outputs" and that those outputs are inputs to the RTC Model, "a program that the Board can and does review," does not make sense. Id. As discussed in the preceding paragraph, a proper assessment of MultiRail requires far more than just knowledge of the inputs and outputs because of all the manipulations that occur in between. Consequently, without access to a fully functional version of MultiRail, there is no support for the Board's statement that, "[a]fter reviewing NS's MultiRail evidence, and DuPont's critiques thereof, we conclude that NS's operating plan is acceptable." Id. at 43.

Finally, MultiRail creates alternate routes to those used by NS in the real world that distort the SAC analysis. In response to DuPont's Second Motion to Compel, NS warned that "routes suggested by off-the-shelf software may not be feasible or permissible" and that "[u]se of impermissible and distorting re-routes...could substantially distort the SAC analysis and

³⁰ Decision at 35 & 45, n. 98.

³¹ See e.g., Dup.. Reb. Ev. at III-C- 87, 94-95 (describing the user-defined penalty and reward levers used to influence the MultiRail results); 95-96 (explaining that NS manually overrode most of the train schedules produced by MultiRail); 99-100 (describing user-defined rules to manipulate results), 103 (describing iterations of the "Block Bypass Report"); 103-04 (describing the manual process of assigning blocks to trains).

³² See Dup.. Reb. Ev. at III-C-95-96 (explaining how limited access to MultiRail impeded DuPont's evaluation of train schedules); 135 (describing DuPont's inability to correct errors in NS locomotive counts without access to a fully-functional version of MultiRail).

³³ The Board also improperly relied upon new evidence submitted in NS's Final Brief to rebut DuPont's criticism of MultiRail, which the Board could not verify without the software and to which DuPont had no opportunity to respond. Decision at 43.

undermine the accuracy and validity of its results..., including the proper distribution of crossover traffic revenue....”³⁴ NS expressed these grave concerns in response to DuPont’s proposal to use surrogate routes for just TIH traffic when there was substantial uncertainty whether the Transportation Security Administration would permit NS to provide routing information in discovery. Despite its own prior criticism of surrogate routes in this case, NS used MultiRail in its Reply Evidence to generate surrogate routes for all SARR traffic. The Board’s acceptance of MultiRail, in the face of NS’s own attack on the validity of the SAC results in such circumstances, also was material error.

B. The Board Should Permit Supplemental Evidence In Response To Its Application Of Alternative ATC.

The Board applied its recently-adopted Alternative ATC cross-over revenue allocation methodology in this case.³⁵ Neither DuPont nor NS advocated this methodology. Furthermore, DuPont selected the SARR traffic group based upon the Board’s most recently applicable methodology, known as “Modified ATC.”³⁶ Because the cross-over revenue allocation methodology has ramifications for the type of traffic selected for a SAC analysis, principles of fairness and equity require that the Board permit DuPont the opportunity to redesign its SARR.

The Board has afforded the same opportunity to other SAC complainants in previous cases where the Board changed its cross-over revenue allocation methodology while those cases

³⁴ See Dup. Reb. Ev. at III-C-72 to 73, quoting Norfolk Southern Ry. Co.’s Reply to Second Motion to Compel of E.I. du Pont de Nemours and Company, pp. 1-4 (filed Aug. 1, 2011). DuPont demonstrated that MultiRail in fact did have the very distorting effects on cross-over revenue allocations about which NS warned. Dup. Reb. Ev. at III-C-86 to 87.

³⁵ See Ex Parte No. 715, Rate Regulation Reforms, slip op. at 28-34 (served July 18, 2013).

³⁶ NS has argued that DuPont erroneously relied upon Modified ATC because that methodology had been reversed and remanded by the D.C. Circuit when DuPont filed its Opening Evidence. NS Reply at III-A-86 to 90. But the only conclusion that can be drawn from that fact is that the cross-over revenue allocation methodology was in a state of flux. The Board clearly had identified a flaw in “Original ATC” and the D.C. Circuit had reversed Modified-ATC as inadequately explained and supported. That left open the probability that, on remand, the Board would adhere to Modified ATC upon providing the further explanation required by the Court. Thus, DuPont reasonably designed its SARR on the presumption that Modified ATC ultimately would be applied by the Board. That presumption was validated when the Board itself, in Ex Parte No. 715, Rate Regulation Reforms, slip op. at 18 (served July 25, 2012), referred to Modified ATC as its “current” approach. Forced to choose between Original and Modified ATC, DuPont made a reasonable decision. More to the point, however, DuPont could not have foreseen the adoption of Alternative ATC at all when it submitted Opening Evidence more than three months before the Board even proposed Alternative ATC in Ex Parte No. 715, and thus DuPont had no opportunity to incorporate that methodology into the development of its SAC analysis.

were pending. For example, in AEP Texas North Company v. BNSF Ry. Co., STB Docket No. 41191 (Sub-No. 1), slip. op. at 23 (served Sept. 10, 2007) (“AEP”), the Board declared:

Generally, it is not the Board’s practice to permit complainants to redesign their case in light of subsequent Board decisions. In this case, however, as in the Western Fuels decision being served concurrently with this decision, we believe fairness dictates that AEP Texas have an opportunity to modify its SAC presentation in light of the new revenue allocation methodology. The Board’s change to the ATC method for allocation of revenue from cross-over traffic impacts the basic design of a SAC case....But had it known that we would apply ATC, AEP Texas might not have chosen to include all that traffic or might have chosen to change the configuration of the [SARR].³⁷

Those same concerns apply equally to this proceeding.

The Board, and the ICC before it, consistently have acknowledged that the selection of SARR traffic and the design of the SARR system go hand-in-hand. As indicated by the ICC:

The parties will have broad flexibility to develop the least costly, most efficient plant. The plant should be designed to minimize construction (or acquisition) and operating costs and/or maximize the carriage of profitable traffic... The factors to be considered depend upon individual circumstances. Hence, the optimal size and placement of the physical plant must be determined on a case-by-case basis.³⁸

The “profitability” of SARR cross-over traffic is inextricably linked to the division methodology used to divide traffic revenues between the SARR and the residual incumbent carrier. Simply stated, what may be considered profitable SARR traffic under the Modified ATC approach may not necessarily be profitable traffic using Alternative ATC. Changing the revenue division methodology could lead to a change in the traffic group as well a change in the size and footprint of the entire SARR system as the traffic group and rail network are expanded or contracted to

³⁷ See also, WFA/Basin I, slip op. at 20 (same).

³⁸ See, Coal Rate Guidelines--Nationwide, 1 I.C.C..2d 520, 543 (1985) (“Guidelines”).

minimize construction costs and to increase profitability.³⁹

IV. THE BOARD MUST CORRECT MULTIPLE SUBSTANTIVE ERRORS PRIOR TO RECEIVING SUPPLEMENTAL EVIDENCE.

When parties submit supplemental evidence, they typically remain bound by other matters already decided by the Board that are unrelated to the subject matter of the supplemental evidence. Therefore, it is essential that the Board also address DuPont's allegations of material error concerning issues that are not directly connected with the submission of supplemental evidence sought by DuPont in Part III above. For some arguments, however, the submission of supplemental evidence will render the errors moot, or the Board alternatively may permit the parties to make corrections as part of their supplemental evidence.

A. The Board's Rejection Of DuPont's Trestle Hollow Evidence Was Material Error.

NS proposed that the Board determine costs for common earthwork excavation, clearing and grubbing, and seeding ("Excavation Costs") from the R.S. Means Handbook ("Means"). Because the Means Excavation Costs were demonstrably excessive, DuPont argued that the Board should instead use data from a real-life project, the "Trestle Hollow Project," to derive Excavation Costs. The Board rejected the Trestle Hollow evidence, and instead adopted the Means costs, finding: "DuPont did not demonstrate that the costs realized on a 1.3 mile rail line relocation project in Tennessee were representative of the costs the DRR would incur in constructing a 7,300 mile, multi-state railroad," and because the "size, scope, and geographic and topographic diversity of the DRR make the use of Means more appropriate than the extrapolation of costs from a single project." Decision at 148-49. The Board committed material error, by

³⁹ At pages 30-31 of DuPont's Reply to NS's "Motion to Hold Case in Abeyance Pending Completion of Rulemaking," dated August 27, 2012, DuPont asserted that the choice of ATC methodology would have little impact on the results of this case. That argument, however, was based upon DuPont's Opening Evidence, which produced prescribed rates below 180% using any of the ATC methodologies.

adopting the Means costs, for several reasons.⁴⁰

First, the Board incorrectly concluded that DuPont was treating Trestle Hollow as evidence of the actual costs that the DRR would incur across the entire system. The Board failed to understand that DuPont submitted the Trestle Hollow evidence as a conservative overstatement of the actual common excavation costs. The Trestle Hollow project was far more complicated than typical common excavation projects.⁴¹ By extrapolating costs from an atypically complex project to all common excavation costs, DuPont was being conservative.

Second, the Board erred because Means costs do not reflect the SARR's economies of scale and therefore overstate the SARR's costs.⁴² Because of economies of scope and scale, the cost of large real-world projects are lower than the costs contained in Means. DuPont's expert, Mr. Harvey Crouch, who is a former NS employee and who actually oversaw the Trestle Hollow project, is uniquely qualified to discuss this fact. According to Mr. Crouch, "The Means Handbook costs are very conservative for [roadbed preparation unit costs] because the prices are based on an average of costs for projects of all sizes from around the country and assume a unionized workforce."⁴³ Furthermore, Means itself states that "[t]he size, scope of work, and

⁴⁰ The Board did not address NS's assertion "that it requested discovery on DuPont's Trestle Hollow Project plan to verify quantities and resolve discrepancies, but that DuPont refused to provide any additional documentation related to the Trestle Hollow Project." Decision at 147, 149. That claim should be dismissed because NS's own evidence reveals that DuPont did not refuse to provide NS any information. NS made three separate workpaper requests. DuPont responded to the first request and invited NS to renew its other two requests if it considered DuPont's response to the first request insufficient. Dup. Reb. Ev. at III-F-22, citing NS Reply e-workpaper "Email to DuPont Re Trestle Hollow Project.pdf." NS never made a follow-up request, which led DuPont to believe that NS was satisfied with DuPont's response. NS should not be able to claim now that it was not satisfied, without first showing that it renewed its other two requests and DuPont nevertheless refused to respond. NS has not done so because it cannot.

⁴¹ Dup. Op. Ev. at III-F-14; Dup. Reb. Ev. at III-F-18 to 20; Dup. Final Br. at 69.

⁴² In reply to SunBelt's Petition for Reconsideration in Docket No. 42130, NS claims that this argument is "demonstrably false" because Means provides costs for a different sizes and types of equipment. *See* Docket No. NOR 42130, "Norfolk Southern Railway Company's Reply to SunBelt Chlor Alkali Partnership's Petition for Reconsideration," p. 25 (filed Sept. 9, 2014). The issue, however, is not the size of the equipment used on the projects, but rather the sizes of the projects themselves that derive the economies of scale. There are economies in excavation costs from using larger equipment, where warranted, but that is not at issue. What is at issue is that Means' average costs do not include projects the size or scale of a SARR project. Means develops its cost averages based on recent construction projects. However, because there are not any current projects that are of the immense size and scope of the proposed SARR (thousands of miles in length), the Means costs do not reflect a SARR's large economies of scale in its average cost figures.

⁴³ Dup. Op. Ev. at III-F-6-7 [underline added]. See also, Dup. Reb. Ev. at III-F-15 to 16.

type of construction project will have a significant impact on cost. Economies of scale can reduce costs for large projects.⁴⁴ Because the DRR is the largest SARR ever created and has a much larger scale than any real-world railroad construction project, it would exceed any definition of a “large project” under Means.⁴⁵ Consequently, Means cannot possibly be the best evidence when real-world projects, such as Trestle Hollow, demonstrate lower costs for complex common excavation work, even without the benefit of the SARR’s economies of scale.

Accordingly, the DRR’s costs must be lower than those specified in Means, which demonstrates that the Board’s selection of Means erroneously inflates common excavation costs for the SARR. By relegating complainants solely to the use of Means, the Board has required them to use costs that undoubtedly will overstate the cost truly available to a least-cost, optimally efficient alternative. The Board’s failure even to address DuPont’s evidence on this point is plain error.

Third, the Board committed material error by insisting on more extensive “real-world” evidence than what DuPont submitted. The Board concluded that Means was the best evidence “[i]n the absence of a fully supported ‘real-world substitute.’”⁴⁶ This imposes on DuPont an impossible standard. There are no “real-world” railroad construction projects that have the size and scope of the DRR. Railroads that size are not being built in the United States at this time in our history, which renders data from real world projects like Trestle Hollow the next best evidence. Insisting on a “full” real world substitute is effectively mandating the use of Means because there is no such substitute. Nor is it feasible to require complainants to identify multiple real-world rail construction projects at locations on or near the SARR, as the Board suggests would be required. Decision at 149. Such information, to the extent it exists, rarely is publicly available, and when it does exist, the costs often are not representative because the construction

⁴⁴ Dup.. Reb. Ev. at III-F-16-17 [emphasis added].

⁴⁵ See e.g., NS Reply at III-F-39 (describing real world projects that the STB has used in prior cases).

⁴⁶ Decision at 149.

is performed under traffic and is not remotely akin to new rail construction.⁴⁷ Thus, Means should be applied only when there is no evidence based upon contemporaneous real world rail construction projects.

B. The Board's Acceptance Of The NS Land Valuations Was Material Error.

The Board accepted NS's land valuation data as the best evidence of record based upon a single factor, the timing of the parties' land appraisals. Decision at 145-46. DuPont appraised land values based upon 2009 sales data and indexed those values back to the 2007 time period in which the SARR would actually acquire the land, whereas NS used 2007 sales data. Although the Board recognized that "DuPont's approach in the timing of its comparable land valuations is generally consistent with Board practice," it concluded that, in this single instance, "the results are compromised by the atypical time period" of the 2009 recession. Id. at 146, n. 407 [underline added]. This unsupported and incorrect conclusion is material error for two independent reasons.

First, the Board's conclusion is factually wrong. NS's 2007 appraisal period is the atypical period, not the 2009 period used by DuPont. The Decision states that "Board practice encourages the use of multi-year data for most estimates to ensure that the integrity of the results is not compromised by atypical observations from any single year." Id. Exhibit 7 graphically depicts the NCREIF index for commercial property in the East region over its entire coverage period from 1977 through 2012. The 2007 values are substantially above the long-term trend line for this period (*i.e.*, 1.95 standard errors from the expected value), while 2009 values are very close to the trend (*i.e.*, 0.27 standard errors from the expected value). Similarly, Exhibit 8 graphically depicts the All Transaction House Price Index US Federal Housing Finance Agency Index, which measures residential land values from 1975 through 2010. Consistent with the

⁴⁷ See, e.g., Dup. Op. Ev. at III-F-13; Dup. Reb. Ev. at III-F-24 to 26.

commercial index, the 2007 residential values are substantially above the trend (*i.e.*, 2.65 standard errors from the expected value), whereas the 2009 values are very close to the trend (*i.e.*, 0.51 standard errors from the expected value). Thus, in adopting the 2007 NS land valuations, the Board did precisely what it sought to avoid, compromising the results by using an atypical time period. This inconsistency constitutes material error.

Second, although the Board claims that, “[i]n this instance, the differences between the parties’ valuation methodologies are secondary to how they have accounted for the timing of the DRR’s land purchases,” *id.* at 145-46, nothing could be further from the truth. The Board completely overlooked DuPont’s rebuttal evidence that restates the NS’s 2007 land valuations to correct for NS’s use of a simple average methodology, by substituting the weighted average methodology used by DuPont for a portion of NS’s appraisal data.⁴⁸ These rebuttal corrections to the NS methodology, applied to NS’s own 2007 valuations, represent only 40% of the SARR, but they erase the entire \$1 billion difference between the parties’ land valuations. In other words, if DuPont’s weighted average methodology, instead of NS’s simple average methodology, were applied to the entire NS 2007 appraisal data, the SARR’s total land costs would be lower than even DuPont’s own evidence indicates. Thus, the differences between the parties’ valuation methodologies are primary, and the Board’s failure to consider those differences was material error.⁴⁹

C. The Board’s Treatment Of The ATC-SQL Coding Mistake Was Material Error.

The Board erroneously rejected DuPont’s technical correction of the ATC SQL coding mistake made on Opening that resulted in the incorrect calculation of total actual miles for NS

⁴⁸ Dup. Reb. Ex. III-F-2 at 46-54, 68,73, 76-77, 82, 87, 93-94, and 99 (reduction in rural land values in six DRR states total \$679 million and a reduction in urban land values for six DRR urban areas total \$326 million).

⁴⁹ If the Board permits the filing of supplemental evidence as set forth in Parts III.A.1 and B., the Board can also request DuPont to provide corrections to the NS methodology for the remaining 60% of the SARR.

shipments included in the DRR traffic group. Instead, the Board accepted NS's methodology which increased the NPV deficit in the DCF model by \$1.3 billion. While the Decision, at 269, acknowledges DuPont's criticisms of the NS methodology, the Board nevertheless accepted the NS evidence based on the factually incorrect assertion that DuPont's methodology was improper rebuttal because DuPont utilized a "prorating methodology... inconsistent with Board precedent which requires that each segment of cross-over traffic be determined using URCS." Id.

According to the Board, in an attempt to correct its Opening SQL programming error, "DuPont, on rebuttal, prorated its opening variable cost to the new proper mileage, rather than applying the Board's URCS methodology to each segment of the movement, as it did on opening." Id. The Board's characterization of the DuPont methodology is factually wrong. In implementing the SQL correction, DuPont first corrected the SQL code and produced revised total mileages; and second, it reran the same 15-step methodology that it utilized on opening, including the steps that computed revised URCS variable costs and fixed costs for each segment.⁵⁰ The Board's assertion to the contrary appears to reflect arguments that NS made in its Final Brief, at 93-98, to which DuPont had no opportunity to reply in order to correct those misstatements.

The Board's justification for defaulting to the flawed NS methodology is also material error for three additional reasons. First, the Board accepted the NS evidence despite noting that, for re-routes, "NS appears to have shifted miles from off-SARR to on-SARR in the URCS input spreadsheets so that URCS could more accurately reflect the mileage over the DRR." Decision at 269. This is not a proper change and, in fact, is contrary to Board precedent which requires that the actual route of movement be utilized to allocate the incumbent railroad revenues and not

⁵⁰ Dup. Reb. Ev. at III-A-43.

the rerouted movement.⁵¹ This was just one of the litany of criticisms raised by DuPont that went unaddressed by the Board.

Second, by blindly accepting all the NS inputs for the ATC calculations, the Board failed to assign to the DRR the NS fixed costs associated with the actual NS segment that is bypassed by traffic rerouted internally over the DRR. In fact, the Board's calculations gave the DRR no credit for the NS fixed costs on the NS segment for traffic that is rerouted internally on the DRR. ATC uses URCS variable and fixed costs for the carrier, and the density and miles of each segment, to develop the average total cost per segment of each move. Revenues from the cross-over traffic are then allocated in proportion to the average total cost of the movement on-SARR and off-SARR.⁵² By failing to allocate these NS fixed costs attributable to the rerouted cross-over traffic to the DRR, the Board serially understated the DRR revenues for all rerouted cross-over traffic, thus completely undermining the ATC methodology.⁵³ Exhibit 10 illustrates this error for a cross-over coal movement from Toms Creek, VA to Lamberts Point, VA.

Third, the Board claims that it was acceptable for NS to make "simplifying estimates" in response to problems with the data supplied by DuPont. Decision at 269. The data was not supplied by DuPont, however; it was supplied by NS. Thus, the need for simplifications was a direct result of problems with the NS data in this proceeding. Moreover, DuPont also created "simplifying estimates" that were utilized as inputs for its URCS variable cost calculations to account for NS data deficiencies. Neither NS nor the Board have asserted that DuPont's

⁵¹ See Western Fuels Assoc., Inc. and Basin Elec. Power Coop. v. BNSF Ry., STB Docket No. 42088, slip op. at 1 (served June 5, 2009) (correcting this as a technical error); id., slip op. at 15 (served Feb. 18, 2009) ("To be consistent with the use of the defendant's costs, ATC will allocate revenues using the relative densities (and mileage) along the predominant route actually used by the defendant carrier to move the traffic in question..., regardless of whether the SARR is designed to shorten or lengthen the distance traveled for that portion of the cross-over movement..."). See also, Dup. Reb. Ev. at III-A-40.

⁵² See Major Issues in Rail Rate Cases, STB EX Parte No. 657, slip op. at 34 (served Oct. 30, 2006).

⁵³ This is similar to an ATC issue corrected previously by the Board. See Western Fuels Assoc., Inc. and Basin Elec. Power Coop. v. BNSF Ry., STB Docket No. 42088, slip op. at 1 (served June 5, 2009) ("In reliance on BNSF evidence, the Board mistakenly calculated the revenues allocated to the SARR based on the costs and densities associated with the new SARR routings of those movements, not, as the Board intended, over the actual, historical routing.").

“simplifying estimates” were inaccurate or incorrect, but the Board blindly accepted the NS “simplifying estimates” as if they are the only evidence of record. The Board must accept DuPont’s evidence because it is feasible and supported. See Duke/NS, 7 S.T.B. at 100.

Although DuPont made a technical error in its opening evidence, it corrected that error on rebuttal using the same methodology it used on opening. In addition, DuPont identified multiple substantive and legal errors in the NS reply that the Board cursorily noted but did not address. Thus, DuPont’s rebuttal evidence was both proper and superior to the NS reply. Id. at 101 (“[W]here the shipper shows that the railroad’s reply evidence is itself unsupported, infeasible, or unrealistic, the shipper may supply corrective evidence.”).

D. The Board’s Refusal to Permit The SARR To Earn The Same Intermodal Revenue As NS Was Material Error.

The Board erroneously denied the SARR \$85.3 million⁵⁴ of intermodal revenue actually received by NS, which has a total NPV impact on the DCF model of \$580 million. Decision at 51-54. This intermodal revenue was generated by the end-to-end service offered by TCS and TDIS (two wholly-owned NS subsidiaries), which includes both rail and non-rail activities. TCS/TDIS receive a lump sum payment for transporting an intermodal shipment from origin to destination. They do not attribute this revenue to either the rail or non-rail activities. From this revenue, they recover their costs for both rail and non-rail activities and the balance is profit that is distributed to NS, which claims that profit as NS Railway Operating Revenue. This profit is the intermodal revenue that the Board has erroneously denied to the DRR.

The Board has committed two fundamental errors. First, the Board inaccurately faults DuPont for claiming revenues generated from non-rail activity without accounting for the capital investments and operating expenses necessary to generate that revenue. Id. at 54. But, DuPont

⁵⁴ Dup. Reb. Ex. III-A-2 (line 26 (1,560.4) minus line 7 (1,475.1)).

has only claimed revenue in excess of any non-rail activity expenses, because it netted out all non-rail expenses, and because it constructed 29 intermodal terminals and related facilities as part of the DRR network. The Board's assertion to the contrary is incorrect and unsupported. Second, the Board improperly places the burden on DuPont to demonstrate that the SARR is entitled to more than the rail line-haul, rail fuel surcharges, and train starts revenue (which are TCS/TDIS cost items) reported in the NS waybill data. Id. DuPont claimed only the portion of the TCS/TDIS revenue in excess of the non-rail expenses that NS itself claims in its year-end accounting procedures, thereby stepping into the shoes of NS. Having made that showing, the burden shifted to NS to demonstrate that DuPont was not entitled to receive a share of the same revenues that NS itself receives, which NS did not do.

1. **The Board's claim that DuPont has not accounted for the operating and capital expenses required to generate the claimed TCS/TDIS revenue is unsupported in the record.**

The Board's first error is embedded within each of the conclusions that it reaches on page 54 of the Decision:

We accept NS's argument that the SARR should only be allowed to claim rail line haul revenues, and therefore adopt its evidence. TCS and TDIS, while subsidiaries of NS participate in non-rail activities, such as trucking. Revenues generated by non-rail activity cannot be included in a SARR's traffic base. Further, as NS asserts, DuPont overstated SARR revenues in its opening by including revenues earned by TCS/TDIS without providing adequate evidence that the necessary infrastructure, operations, or corresponding expenses have been accounted for to provide such services. On rebuttal, DuPont still fails to include the necessary facilities, operations, capital investments, and expenses necessary to generate the TCS/TDIS revenue it seeks to include, and merely subtracts some TCS/TDIS operations costs from the intermodal revenues. DuPont has failed to show that the DRR is entitled to more than the rail line haul revenues. [underline added]

The Board inaccurately asserts that DuPont has claimed revenue generated by non-rail activities and that DuPont has failed to include all of the facilities necessary to generate the TCS/TDIS

revenues that it claims for the DRR.

First, DuPont constructed 29 intermodal terminals as part of the DRR network.⁵⁵ The Board's decision limits the DRR's revenues only to the rail line-haul, rail fuel surcharges, and train starts revenues. Therefore, under the Board's model, the DRR has no means by which to recover any of its investment expenses related to constructing its intermodal terminal facilities, or its expenses incurred providing lifts for intermodal shipments,⁵⁶ and cross-town drayage in Chicago.⁵⁷ The Board has created a disconnect between the DRR's revenues and its investment and operating expenses.

Second, DuPont's calculation of TCS/TDIS revenues and costs was a bottom-up approach, whereas the NS evidence and the Board's Decision wrongly imply that DuPont performed a top-down analysis that aggregated total TCS/TDIS revenues and subtracted only some operating expenses. DuPont initially attempted to link individual rail cars with the TCS/TDIS revenue data in order to determine revenue, but that simply was not possible due to the structure and content of the NS discovery data (there were insufficient common data fields in the NS traffic data and the TCS/TDIS data to allow for linking individual shipments between the data sets.) DuPont, however, was able to aggregate monthly TCS/TDIS data by origin-destination pair, and calculate the monthly average revenues and drayage costs for each TCS/TDIS movement.

For example, the TCS data indicated that, for the month of July 2010, TCS received an average of \$730.87 per unit⁵⁸ in revenue for shipments between Bethlehem, PA and Chicago, IL. TCS data also indicated that, for the month of July 2010, TCS paid out an average of \$169.17 per

⁵⁵ See Dup. Reb. Workpaper "DRR Yard Matrix Rebuttal Grading.xlsx," tab "DRR Yards."

⁵⁶ See Dup. Reb. at III-D-68-70 (discussing intermodal lift costs. See also: Dup. Reb. Workpapers "DRR Total Lift Costs_Rebuttal.xlsx" and "DRR Operating Expense_Rebuttal.xlsx."

⁵⁷ DuPont added Chicago cross-town dray costs in response to NS's Reply Evidence. See Dup. Reb. Workpaper "DuPont Rebuttal Intermodal Terminal and Lift Cost.xlsx".

⁵⁸ See Dup. Reb. workpaper "TCS-TDIS Per Unit PV v2 Reb.xlsx" at level "TCS Data" cell W172.

unit⁵⁹ in expenses for drayage services at origin, and another \$212.00 per unit⁶⁰ in expenses for drayage services at destination, for a total of \$381.16 per unit in drayage expenses. The total drayage expenses were deducted from the total revenues, leaving \$349.71 in revenues less direct expenses.⁶¹ This is less than half of total revenues for this move. In opening, for a given TCS unit waybill movement, DuPont substituted this amount (\$349.71) for the total net revenue data included in the NS waybill data file. For example, for unit TCSZ 463626 with a waybill date of 07/12/2010,⁶² the waybill data showed \$132.00 in rail line haul revenue⁶³ and \$58.14 in rail fuel surcharges⁶⁴ (total net revenue = \$190.14). As shown in the workpapers, DuPont attributed to NS \$349.71 in net revenues⁶⁵ for this move in Opening, rather than the \$190.14 shown in the waybill data (a difference of \$159.57). On opening, DuPont claimed both the \$190.14 of TCS rail expenses and the unallocated \$159.57 as NS net revenue available for allocation between the DRR and the residual NS. Thus, DuPont did not claim any revenue for the non-rail activities reflected in the drayage payments. Furthermore, as discussed in subpart 2, below, the unallocated revenue is by definition for rail-related activity because NS itself claims that revenue as such on its books.

On reply, NS identified and quantified several categories of unattributable operating costs that DuPont had not accounted for in opening and alleged that DuPont also had omitted another \$200 million in TCS-owned equipment.⁶⁶ On rebuttal, DuPont accepted all of these operating costs, and included the TCS-owned equipment as railroad-provided equipment in the DRR's

⁵⁹ See Dup. Reb. workpaper "TCS-TDIS Per Unit PV v2 Reb.xlsx" at level "TCS Data" range M172:P172.

⁶⁰ See Dup. Reb. workpaper "TCS-TDIS Per Unit PV v2 Reb.xlsx" at level "TCS Data" range Q172:T172.

⁶¹ See Dup. Reb. workpaper "TCS-TDIS Per Unit PV v2 Reb.xlsx" at level "TCS Data" cell X172.

⁶² See Dup. Reb. workpaper "Lead_unit_waybills_w_TCS_TDIS_IM.mdb" at table "dbo_v_lead_units_TCS_TDIS_IM" -- filter on data field WB_SN_URRWIN = "4693804596"

⁶³ Data field REVENUE_LH

⁶⁴ Data field REVENUE_FS

⁶⁵ Data field TCS_NET_TOTAL

⁶⁶ NS Reply at III-A-62-63.

operating plan.⁶⁷ Because the operating expenses were unattributable costs, DuPont allocated them *pro rata* to each TCS/TDIS movement (*i.e.*, a per movement average) and subtracted those costs from the unallocated revenue received for each movement. Specifically, DuPont determined that its Opening TCS/TDIS revenue calculation (\$349.71 in the example above) must be reduced by 20 percent⁶⁸ to account for the operating expense items identified by NS (Restated to \$279.77 in Rebuttal). Thus, DuPont did account for all of the unattributable costs associated with the TCS/TDIS movements that NS identified either through discovery or on reply. As the costs were unattributable, this adjustment—and this adjustment only—was required to be made on a top-down basis.

The Board’s assertion that, on rebuttal, “DuPont still fails to include the necessary facilities, operations, capital investments, and expenses necessary to generate the TCS/TDIS revenue it seeks to include” has no foundation in the record. Neither NS nor the Board has identified any specific TCS/TDIS expense item for which DuPont failed to account. Rather, the Board has accepted, without proof, NS’s general assertions to the contrary, and required DuPont to prove a negative.⁶⁹

2. The Board has improperly shifted the burden of proof to DuPont.

The Board’s second error was its determination that DuPont had failed to show that the DRR is entitled to more than the rail line-haul revenue. Decision at 54. DuPont in fact did make that showing, which NS never rebutted.

Specifically, NS Rail claims all of the TCS/TDIS revenue as railway operating revenue in

⁶⁷ Dup. Reb. at III-A-60-61. The TCS-owned equipment were related to the acquisition of bogeys and trailers, which DuPont had accounted for in electronic work paper “DRR Car Costs_Rebuttal.xlsx,” tab “Intermodal Cars.”

⁶⁸ Dup. Reb. Ex. III-A-2, line 25 (Factor of 0.80 applied to Opening Revenues for TCS/TDIS moves)

⁶⁹ In the NS Final Brief, at 89-90, NS alleges three flaws in DuPont’s rebuttal. The first and third alleged flaws, which are the basis for the Board’s conclusions, are incorrect for the reasons stated above. The second flaw, that DuPont allocated all of the TCS/TDIS contribution to the DRR and none to NS, is incorrect because the TCS/TDIS revenues were allocated to each movement before applying ATC.

reports to the SEC, STB, and its shareholders. Therefore, all of this revenue should be considered rail-related, except to the extent required to cover the cost of non-rail activities. As demonstrated in the preceding section, DuPont has not claimed any intermodal revenue that is required to cover the cost of non-rail activities. The Board, however, assumed the exact opposite: that all intermodal revenue is non-rail related unless it appears in the rail waybill. This unsupported assumption is contradicted by NS's own accounting practice, which claims all of the unattributable TCS/TDIS revenue for itself as railway operating revenue. Therefore, all TCS/TDIS revenue net of TCS/TDIS expenses is by definition rail-related. The DRR is entitled to step into the shoes of NS for these same intermodal movements.

NS Rail reported \$1.796 billion in "Railway Operating Revenues" earned on intermodal traffic in its 2010 10-K and R-1 reports.⁷⁰ In discovery, however, NS provided system wide intermodal traffic and revenue data for 2010 that equaled only \$1.475 billion. The NS data was missing \$321 million in revenue NS actually earned on intermodal rail traffic as reported to the SEC and STB. Most (but not all)⁷¹ of the missing revenue was included in data from a separate related production of TCS/TDIS revenue. Therefore, in order to reconcile NS's revenue data production with its SEC and STB reports of the "Railway Operating Revenues" that NS Rail earns—to which the DRR is entitled a share in the SAC analysis—DuPont combined the revenues from the two separate data productions.⁷²

TCS and TDIS transfer payments to NS throughout the year for railroad services rendered just as they transfer payments to other vendors for drayage services. These payments, which show up in the line-haul revenue fields of the NS traffic data, are made to cover NS's

⁷⁰ Dup. Reb. Ev. at III-A-59.

⁷¹ The combined NS and TCS/TDIS revenue data still only added up to a combined \$1.752 billion, or \$43.6 million less than the amount NS reported in its SEC and STB filings. Compare Exhibit 9 lines 1 and 10.

⁷² Dup. Reb. Ev. at III-A-56-58; Dup. Reb. Ex. III-A-2 at 14-15, Dup. Op. Wp. "DRR Traffic Selection Methodology v8 ADDED LANES.docx," at 5-6 (Step 11).

expenses for line-haul activities (and train starts); but when it is time to settle the books, additional revenue is claimed by NS Rail as Railway Operating Revenue. Because the initial transfer of payment is recorded in the line-haul revenue field of the NS traffic data, NS claimed (and the Board agreed) that this is the only revenue to which the SARR is entitled. However, this amount is merely an operating expense for TCS/TDIS, similar to their drayage expenses, and all revenues net of expenses are ultimately claimed by NS.

Because TCS/TDIS incurred costs needed to move the TCS/TDIS intermodal traffic unrelated to rail activities, DuPont deducted these costs from the TCS/TDIS revenues that it included in the pool of rail revenues to be allocated to the SARR and residual NS under the ATC methodology. Specifically, of the \$376 million in total TCS/TDIS revenues for DRR shipments, \$98.7 million is required to cover the NS rail expenses of TCS/TDIS, and \$191.9 million is required to cover the TCS/TDIS non-NS rail expenses.⁷³ These are all the discernible costs from NS's discovery data. Although the NS Reply referenced \$200 million in capital costs allegedly unaccounted for by DuPont,⁷⁴ these costs were related to the acquisition of bogeys and trailers, which DuPont did account for in its operating plan.⁷⁵ Therefore, after all TCS/TDIS expenses for the DRR shipments are paid, there remains \$85.3 million in net revenue, which NS claims as rail revenue on its books and in its financial filings. To suggest that the SARR is not entitled to this revenue is simply not correct. NS has not provided any evidence that the intermodal revenues in excess of total expenses are "generated" by non-rail activity, even though NS, as the purveyor of the rail activities, claims all TCS/TDIS revenues on its books. The Board's acceptance of NS's claim is unsupported.

⁷³ The TCS/TDIS rail-related expenses equal \$98.7 million in payments to NS and \$38 million in payments to foreign roads, while TCS/TDIS non-rail related expenses equal \$153.9 million (\$107.9 million in payments for drayage services and \$46 million for other services such as terminal operators payroll). See Exhibit 9 at lines 13-16.

⁷⁴ NS Reply at III-A-63.

⁷⁵ See "DRR Car Costs – Rebuttal.xls," tab "Intermodal Cars."

E. The Board’s Rejection of DuPont’s Interest-Only Debt Amortization and DuPont’s Interest Rates in the Terminal Value Calculation Are Based Upon Materially Inaccurate Assertions.

The Board rejected DuPont’s interest-only approach to debt amortization because it “would abandon the fundamental structure of the SAC test...,” even though DuPont’s evidence more closely follows actual rail industry practice than the home mortgage approach used in prior cases. Decision at 281. According to the Board, fixed coupon payments mean that the SARR is paying only interest on its debt and not repaying the principal, which would impede the ability of the SAC test to determine the SARR’s ability to pay the cost of constructing, maintaining and operating its system. Id. Similarly, although the Board accepted DuPont’s correction of a mismatch in the terminal value adjustment, it modified DuPont’s interest rates to reflect the Board’s holding that the DRR must pay down the principal on its capital investments. Corrected Decision at 21. The Board’s insistence that a home mortgage style interest amortization approach is necessary to ensure the DRR’s ability to repay its principal is material error because repayment of any principal amounts borrowed is accounted for in the levelized stream of capital recovery payments.

As the Board notes at page 32 of the Decision, the computerized DCF model “simulates how the SARR would likely recover its capital investments, taking into account inflation, Federal and state tax liabilities, and a reasonable rate of return.” In other words, the DCF model ensures sufficient cash is generated to meet the required rate of return to debt and equity holders on the SARR’s investment, as well as ensuring sufficient cash flows for the return of the required investments. This occurs through the capital carrying charges included in the “Investment SAC” level of the DCF model, which ensure that the SARR is developing enough quarterly cash flows to pay back not only the interest on the debt (as encompassed in the weighted-average cost of capital used as a discount factor), but also the principal amount originally borrowed (as reflected

in the investment costs and interest during construction costs). Far from not paying back any principal, the quarterly capital charges explicitly account for repaying principal on existing and future investments. Thus, the repayment of principal is already accounted for in the DCF model regardless of whether the Board uses a home mortgage amortization or a coupon approach.

The Board's logic also is incorrect because, as the DCF model shows, the principal repayment values calculated in the home-mortgage amortization are not directly used to develop any principal repayment. Instead, the principal portions of the quarterly payment included in the amortization calculations are used only in calculating the interest component of the assumed home-style mortgage payment.⁷⁶ The interest payments on the debt then are used to develop the interest tax shields to determine state and Federal tax payments. Thus, contrary to the Board's inference, the principal components of the debt amortization do not directly feed into the capital carrying charges, which provide the SARR's return on, and return of, capital. The sole purpose of the debt amortization calculation is to develop the expected interest payments for use in estimating state and Federal taxes. It is not to ensure repayment of any borrowed funds.

Finally, DuPont's assumption that the DRR reissues debt when old debt is paid off or retired, just as real world railroads do, brings the DCF model's assumptions on capital structure, cost of capital, and interest tax shields into alignment. Under this approach, the capital structure remains constant throughout the DCF time period and into the future, as the Board already assumes, and provides for, a perpetual interest tax shield. Although this approach assumes future interest rates will equal current interest rates, the Board's model already assumes this fact when making the replacement asset calculations. Therefore, the Board erroneously concludes that it must use home mortgage style amortization to determine the tax benefit received in the terminal

⁷⁶ See STB electronic work paper "D42125 Exhibit III-H-1 STB No3.xlsx," worksheet "Interest," Columns (I), (Y), (AP) and (BG).

value calculation. Corrected Decision at 21-22.

The Board's stated reason for rejecting both DuPont's debt amortization approach and terminal value interest rates is factually wrong. The Board should follow its general rule and "recognize the importance of allowing the SARR to use the same business strategies as the railroad industry to the maximum extent possible..." by permitting the DRR to use fixed coupon payments for the treatment of its debt and terminal value calculations.⁷⁷

F. The Board's Treatment of PTC Costs Is Material Error.

The Board agreed with DuPont that the DRR could implement PTC in 2009, but it agreed with NS that the DRR would need to incur additional costs from 2010 through 2015 to upgrade that initial system to be RSIA-compliant.⁷⁸ Decision at 228-30. Furthermore, the Board has denied the DRR bonus depreciation for these upgrade costs. Corrected Decision at 5. Both of these PTC determinations are material error because they create impermissible barriers to entry.

1. The Board's treatment of PTC Costs creates a barrier to entry.

DuPont has accepted that the DRR would face the same Congressional mandate as the real-world NS to implement PTC by 2015. But the Board's decision to require the DRR to incur both original PTC construction costs and then incur upgrade costs creates an impermissible barrier to entry.⁷⁹ The transition period for full PTC implementation, from 2008-2015, has been rife with obstacles and uncertainty. Amidst all this uncertainty, the Board must decide how to address PTC costs in a SAC analysis that must hypothesize a new entrant during this time period in a contestable market, i.e., a market without barriers to entry or exit and in which the new entrant suffers no cost disadvantage relative to the incumbent.

The very existence of the PTC mandate posits a barrier to entry by imposing a substantial

⁷⁷ Decision at 282.

⁷⁸ Rail Safety Improvement Act of 2008 § 104, Public Law 110-432, 122 Stat. 4854 (Oct. 16, 2008), codified at 49 U.S.C. § 20157.

⁷⁹ Decision at 229-30.

cost disadvantage upon the new entrant relative to the incumbent. If the hypothetical new entrant is constrained to the same time line as the incumbent for implementing PTC (i.e., may not implement an RSIA-compliant system until 2015), the new entrant will incur two sets of signal costs during the same time period in which the incumbent will incur only one. Specifically, the new entrant would incur costs for a signaling system for its pre-2016 (in this case 2009-2015) operations, all the while incurring upgrade costs for its post-2015 (in this case 2016-2019) operations. In contrast, the incumbent, which has had decades to recover most, if not all, of its legacy signal system costs, must only incur the cost of upgrading to a PTC system.

The imposition of two sets of PTC costs upon the DRR within just six years is inconsistent with contestable market theory because it imposes unique costs upon the new entrant that the real world NS does not face during precisely the same time period in which it too must implement PTC. The SAC analysis must model “the performance perfect contestability can be expected to produce.”⁸⁰ Contestable market theory requires that the advantage that an incumbent obtains from having entered the market through a piecemeal process of expansion over an extended period of time cannot be used to create a barrier to entry.⁸¹ As a result of its piecemeal entry, NS had many decades to recover, in whole or in major part, the costs associated with its existing CTC system.⁸² The DRR, in contrast, would have less than six years to do so before that system would become obsolete, all the while incurring additional costs for an RSIA-compliant PTC system.⁸³ Since requiring the DRR to invest in two signaling systems over such

⁸⁰ See, Bituminous Coal—Hiawatha, UT to Moapa, NV, 10 I.C.C.2d 259, 266 (1994) (“Nevada Power II”), quoting Baumol, Panzar and Willing. “Contestable Markets and the Theory of Industry Structure,” Harcourt Brace and Jovanovich, 1982, at 479 (“Contestable Markets”).

⁸¹ See, Coal Trading Corp. v. B. & O. R.R. Co., 6 I.C.C.2d 361, 413-14 (1990) (a market is not contestable when the costs faced by the incumbent and the SARR are different) (“Coal Trading”).

⁸² CTC systems were first introduced in the late 1920’s and were in standard use by most railroads by the 1940s. By the 1970’s and 1980’s electromechanical control and display systems were replaced with computer operated displays.

⁸³ The Board indicated in Nevada Power II that, in simulating a contestable market in a SAC analysis, it does not eliminate sunk costs but assumes that the costs that are sunk for the incumbent railroad are also sunk for the SARR. Nevada Power II at 267. But as is implied in Contestable Markets, the opposite is not necessarily true; the costs that are sunk for the new entrant are

a short period would impose a risk upon its investors that is not faced by NS's investors over this same time period, that requirement would be an impermissible barrier to entry.⁸⁴

The proper way to address this barrier to entry, under the unique circumstance of the PTC mandate, is for the Board to assume that any SARR built during the transitional implementation period would be able to construct an RSIA-compliant PTC system as its sole signaling system from the outset of its operations, thereby removing that barrier to entry created by costs that are sunk for the DRR but not for NS (i.e., the existing signal system.) The Board's imposition of upgrade costs upon the DRR imposes greater costs upon the DRR than the real-world NS must incur during the same time period to implement its PTC system. In order to avoid the bias caused by the DRR entering the market during the uncertain transitional period to PTC, the Board should assume that the DRR will construct an RSIA-compliant PTC system, regardless of whether such a system could have been constructed in 2009.

2. The Board created another barrier to entry by denying bonus depreciation to the DRR for its PTC upgrade costs from 2010-2015.

In the Corrected Decision, at 5, the Board wrongly concluded that the DRR would not be entitled to bonus depreciation for its PTC upgrade costs incurred during the 2010-2013 time period because those upgrades would not be placed into service until 2015. The bonus depreciation provisions that DuPont has sought to apply clearly were in effect from 2010 through 2013 and the Board has determined that the DRR would incur upgrade costs during that same

not necessarily sunk for the incumbent. The Board defines sunk cost as costs that cannot be eliminated or recouped, even by total cessation of operations. Id. at 266. In the case of its CTC investment, because NS had the opportunity to recoup its investment for over six decades, it continues to enjoy the value of the marginal product of that system, and its costs are not completely sunk. See Martin, "The Theory of Contestable Markets," Purdue University, 2000 at 15. In direct contrast, the DRR would not be able to recover its CTC investment prior to incurring its PTC investment, and, therefore, its CTC costs are completely sunk. Because NS had the opportunity to recoup most or all of its CTC investment, but the DRR will not, the DRR would be at a distinct disadvantage to the NS, which would constitute a barrier to entry of the type envisioned in Contestable Markets.

⁸⁴ See, PPL Montana, LLC v. The Burlington Northern and Santa Fe Railway Company, 5 S.T.B. 1105, 1111-12 (2001) (holding that "a SARR should not be assumed to bear costs that are not faced by the defendant railroad [including]... costs associated with risks not faced by the defendant railroad's investors.").

time period. Moreover, NS itself has benefited from bonus depreciation for its PTC costs incurred during those years even though NS will not deploy its PTC system until 2016 or more likely even later, which means that a denial of bonus depreciation to the DRR for expenses incurred in those same years would constitute an impermissible barrier to entry. This issue will become moot if the Board agrees with DuPont in the preceding section.

G. The Weighted Average Cost Of Equity Violates Board Precedent.

The Board gave only a one-twelfth weight to the 2006 cost of equity based upon a fundamentally flawed interpretation of its precedent in AEP, slip op. at 107-08. Decision at 272-73. While acknowledging that AEP speaks in terms of years, the Board misrepresented the underlying point to be that the cost of equity should reflect the construction start month, and all available subsequent data, as opposed to the construction start year. This interpretation is at odds with the entire rationale underlying AEP, and with the Board's cost of capital projections. This error increased the NPV deficit in the DCF model by \$234 million.

First, in AEP, the shipper proposed using a single-year cost of equity to project future costs of equity because of the general downward trend then seen in the railroad industry cost of equity calculations. The Board rejected this position out of concern that using a single-year could lead to reliance upon a single aberrant year to project the cost of equity in future years. Instead, the Board held that parties should use as many "years" as possible, not months, in developing the average. By weighting the cost of equity by the number of months in the year following the construction start date, the Board disregards its own rationale for using as many observations as possible to estimate future year's cost of equity. Instead it arbitrarily underweights a particular year.

Second, the Decision is inconsistent with how the Board calculates future cost of capital in the development of replacement investments. The Board's standard approach to estimating

the cost of capital in future years (e.g., after the end of the DCF model) is to take the simple average of the cost of capital from the year of the SARR's construction to the most current STB railroad industry cost of capital determination. In this case, this meant the simple average railroad industry cost of capital from all of 2006 to 2011, not just the last month of 2006.⁸⁵ The Board takes this approach for the same reason it has always used the same approach to estimate the future cost of equity. Namely, it does not have a reliable estimate of the future cost of capital or cost of equity, so it has relied on as many observations available within the record as a surrogate for future years. The Board's inconsistent approaches to projecting cost of equity and the cost of capital is arbitrary, unsupported, and contrary to precedent.

H. The Board's Acceptance of the NS Methodology for Calculating ad valorem Taxes Was Material Error.

The Board erroneously accepted a new methodology proposed by NS for calculating the DRR's ad valorem taxes for 14 of the SARR States in lieu of the methodology used in prior cases. Decision at 136-37. Both railroads and shippers historically have calculated ad valorem taxes in SAC cases by multiplying the incumbent railroad's state specific ad valorem taxes per route to the SARR's route miles through the respective states. NS deviated from this historic approach by arguing that, since ad valorem taxes are based, in part, on a railroad's profitability, the SARR, which presumptively is more profitable than the incumbent, would face higher taxes. A fatal problem with NS's calculation, however, is that it created an improper and nonsensical comparison between NS's profitability and the DRR's alleged profitability.

To account for the SARR's profitability, NS first calculated what it called the SARR's Net Railway Operating Income ("NROI") by subtracting the first year revenues from the first year cash operating costs, and dividing the difference by the SARR route miles to calculate a

⁸⁵ See STB electronic work paper "D42125 Exhibit III-H-1 STB No3.xlsx," worksheet "Replacement," cell E24.

SARR NROI per route mile. Next, using data from its own 2009 Annual Report R-1, NS calculated its NROI per route mile by dividing its NROI from Schedule 210, Line 67 by the route miles from Schedule 702, Columns b to h. NS then divided the SARR NROI per route mile by the NS NROI per route mile to develop what it termed a “Unit Value Modifier.” NS next multiplied its ad valorem tax per route mile by the Unit Value Modifier to estimate the SARR ad valorem tax per route mile, and, finally, multiplied the SARR ad valorem tax per route mile to the SARR route miles to calculate the base year ad valorem tax.

In accepting NS’s approach, the Board arbitrarily mixed and matched figures developed under financial reporting standards governed by Generally Accepted Accounting Principles (“GAAP”) and figures developed under tax accounting governed by the Internal Revenue Code. The NROI included in Schedule 210, Line 67, is calculated under accrual accounting methods governed by GAAP, and takes into consideration accrued revenues and expenses, including deferred income taxes. Deferred income tax expenses stem from temporary differences between the tax basis of a liability and its reported amount in the financial statements, and represent the increase in taxes payable in future years as a result of taxable temporary differences. The Board previously has noted in Ex Parte No. 646 (Sub-No. 2), Simplified Standards For Rail Rate Cases – Taxes In Revenue Shortfall Allocation Method, at 3 (served Nov. 21, 2008), that the amount of taxes a railroad pays in a particular year (e.g., its cash tax payment) is not an appropriate measure of a railroad’s tax liability because it ignores a railroad’s deferred tax liability. The NROI included in NS’s Schedule 210 is prepared under GAAP and reflects NS’s full tax liability, including deferred tax liabilities. The SARR NROI, as erroneously calculated by NS and accepted by the Board, fails to take into consideration the SARR’s total tax expenses, including any deferred tax liabilities. This failure to include the SARR’s full tax liability in the unit value

modifier calculation means that NS divided pre-tax SARR earnings by after-tax NS net income. The resultant quotient has absolutely no probative value about the relationship between the SARR's estimated earnings and NS's earnings.

This issue is distinct from the issue DuPont raised in its Rebuttal. In its Rebuttal evidence, DuPont addressed how the NS approach miscalculates tax unit values by using straight-line depreciation used in book accounting instead of accelerated depreciation used in tax accounting. The issue raised by this Petition is that NS created an apples to oranges comparison of the SARR and NS NROI.

The fact that the Investment SAC calculation shows no income taxes payable in the first year does not mean the SARR would not incur a tax expense when all factors are considered. . The Investment SAC calculation does not represent the total tax expense incurred by the SARR, but instead reflects the tax implications on revenues associated with investment recovery. It in no way represents the SARR's total tax expense. Furthermore, even assuming *arguendo* that the income taxes shown in the Investment SAC level are reflective of the actual taxes paid by the SARR, the SARR will begin to incur income tax expenses at some point during the DCF period. The NS ad valorem calculation arbitrarily ignores this fact and implicitly assumes the SARR will not incur any taxes over the 10-year DCF period. Because of the irrationality of the unit value modifier calculation and the implicit assumption the SARR will never incur any tax expense, the Board's acceptance of the NS methodology was material error.⁸⁶

⁸⁶ In reply to the same argument made by SunBelt in Docket No. 42130, NS claims that its methodology is overly conservative because it does not account for the increasing profitability fo the SARR over time. See Docket No. NOR 42130, "Norfolk Southern Railway Company's Reply to SunBelt Chlor Alkali Partnership's Petition for Reconsideration," p. 22 (filed Sept. 9, 2014). But one cannot derive the profitability of the SARR on an NROI basis with data only included in the DCF model as NS proposes, because non-cash operating expenses, including depreciation calculated on an accrual basis and deferred tax calculations, are not included in the DCF model. NS's profitability exhibit is flawed because it uses some information calculated on a cash basis (revenues and operating expenses), some calculated on a bastardized version of accrual accounting (the exhibit's depreciation expenses) and some calculated under Internal Revenue Codes (the Investment SAC tax expenses) to calculate the SARR's alleged profitability without taking into consideration any deferred tax expense calculations.

I. The Board Improperly Rejected DuPont's Correction Of Intermodal and General Freight Car Costs.

The Board erroneously rejected DuPont's modification to the NS reply evidence on intermodal and general freight equipment costs on grounds that DuPont argued for the first time, on rebuttal, "that Triple Crown shipments should be treated separately from intermodal traffic because all Triple Crown shipments move in railroad-provided equipment." Decision at 76. This statement reflects a material miscomprehension of DuPont's rebuttal, which corrected an error made by NS on reply, after NS itself separated TCS cars from other intermodal equipment.⁸⁷ Because NS treated TCS cars separately on reply, it was appropriate for DuPont to do so on rebuttal. Duke/NS, 7 S.T.B. at 101 (a shipper may adopt the railroad's reply or it may supply corrective evidence when the railroad's reply is unsupported, infeasible, or unrealistic).

Furthermore, the Board seems to have misunderstood the point of DuPont's rebuttal evidence, which was to correct a likely unintentional mistake by NS that overstated General Freight car statistics while understating intermodal statistics. When NS attempted to correct DuPont's assumption that all intermodal equipment was railroad-owned, it also attempted to correct DuPont's mistaken allocation of TCS equipment statistics to flatcars rather than bogeys. In attempting to fix this mistake, however, NS itself mistakenly assigned the statistics for TCS equipment to the general freight traffic category rather than the intermodal category. This caused an overstatement in the number of general freight cars (e.g., hoppers, gondolas, box cars). In rebuttal, DuPont merely sought to correct NS's misallocation of TCS statistics from general freight back to intermodal equipment.⁸⁸ DuPont's rebuttal distinction between TCS and other intermodal shipments was solely in the context of identifying and correcting NS's error. This error increased the net NPV deficit in the DCF model by \$169 million.

⁸⁷ See NS Reply Workpaper "FlatCar_Init_Num.xlsx."

⁸⁸ Dup. Reb. at III-D-17.

J. The Board's Fringe Benefit Ratio Erroneously Double-Counts Expenses And Violates SAC Principles.

The Board accepted NS's fringe benefit ratio based upon two patently erroneous reasons. Decision at 79-80. First, by accepting an average of NS fringe benefit ratios and even higher CSXT ratios, the Board has erroneously assigned the SARR an even higher fringe benefit ratio than NS itself, which is inconsistent with the fundamental SAC principle that the SARR is a least-cost provider. Guidelines, 1 I.C.C..2d at 542. Second, the Board incorrectly rejects DuPont's claim that the NS methodology double-counts expenses. The first point is self-evident; the second is addressed below.

The Board rejected DuPont's double-count argument because "[t]he use of a real-world three year average to calculate the starting year fringe benefits and the subsequent indexing of that average to account for inflation does not lead to the double counting of expenses." Decision at 79. But that is not what NS did. NS's reply evidence and work papers reveal that NS did not apply an index to the average fringe benefit ratio to recover the effects of inflation.

Moreover, even if NS had indexed for inflation, applying the Hybrid RCAF index to an unadjusted multi-year fringe benefit ratio for 2009 through 2011 does result in a double count of expenses, because the hybrid index used in the DCF model includes a component for labor, which in turn is comprised of a wage component and a supplement component that is based on fringe benefits paid to railroad employees. For example, the combined NS/CSXT fringe benefit ratio for 2009, 2010 and 2011 equals, 46.8 percent, 49.6 percent, and 51.2 percent, respectively. The supplements index for 2009, 2010 and 2011 is 491.8, 541.2 and 604.3, respectively. To the extent the supplements index component of the hybrid index is increasing over the 2009-11 time period, application of the index to wages, including the fringe benefit ratio, are then increased both by the change in the average of the fringe benefit ratio and by the hybrid index, resulting in

a double count of fringe benefits. The Board's error on this issue increased the NPV deficit in the DCF model by \$130 million.

K. The Board's Failure To Correct A Flaw in the NS ES44AC Locomotive Counts Was Material Error.

The Board erroneously accepted the NS locomotive counts for ES44AC locomotives based solely upon its acceptance of the NS operating plan, without addressing a flaw in the NS counts unrelated to the operating plan itself that overstates those counts. Correcting that single flaw, which is discussed in the last paragraph on page III-C-134 of DuPont's Rebuttal, decreases the number of ES44AC locomotives by 18%. This error increased the NPV deficit in the DCF model by \$135 million. Although NS purports to correct this error in its Final Brief, at pages 57-58, its correction is both too late, because it constitutes impermissible new evidence in its Brief, and insufficient, because it misstates the basis for the error.

NS acknowledged the validity of DuPont's claim that NS should not have divided the aggregated 29 days of locomotive data by 24 days. But NS then wrongly asserts that it should have divided by just 25 days in order to account for the warm-up and cool-down periods, whereas DuPont had argued that NS must divide by 29 days in order to account for all of the days in the locomotive data aggregation period.⁸⁹ The error that DuPont identified had nothing to do with accounting for the warm-up and cool-down periods. In its Brief, NS completely ignored the basis of DuPont's Rebuttal criticism and engaged in misdirection by conceding a different and less impactful error. Neither NS nor the Board has addressed DuPont's actual criticism. The Board erred, both procedurally and substantively by accepting NS's incomplete and unresponsive correction in its Brief.

⁸⁹ Dup. Reb. Ev. at III-C-134.

L. The Board Erroneously Included Intermodal And Bulk Transfer Facilities That Are Not Part Of Either Party's SARR.

The Board committed material error by including intermodal and bulk transfer facilities that are not located on either party's SARR. Decision at 247-48. DuPont's Rebuttal, at pages III-B-16-17, identified two intermodal facilities and three bulk transfer facilities in the NS Reply that are not located on the DRR network. The Board, however, blindly included those facilities solely because it adopted the NS operating plan. But, the point of DuPont's rebuttal was that those facilities are not physically located on either party's version of the SARR. Thus, regardless which operating plan the Board adopted, those facilities should have been excluded. This issue may become moot if the Board permits supplemental evidence in response to this Petition. This error increased the NPV deficit in the DCF model by approximately \$52 million.

M. The Board Erroneously Accepted NS's Clearing And Grubbing Costs Without Addressing DuPont's Criticisms of the NS Calculations.

The Board erroneously accepted NS's clearing and grubbing costs, solely on the basis of its rejection of DuPont's Trestle Hollow evidence, without addressing DuPont's separate critique of the NS calculations.⁹⁰ Decision at 149-50. Specifically, at pages III-F-30-31 of its Rebuttal, DuPont explained that NS had arbitrarily doubled the clearing cost by cutting the production rate in half with no support and added the costs for another crew to haul away the cleared material. DuPont explained that neither of these adjustments were necessary. Without even a mention of this argument, the Board summarily stated that it accepted NS's clearing and grubbing costs. The Board should address that issue here just as it did in Docket No. 42130, SunBelt Chlor Alkali Partnership v. Norfolk Southern Ry. Co., slip op. at 108-09 (served (June 20, 2014), in which the Board agreed with a nearly identical argument. This error increased the NPV deficit

⁹⁰ This issue will become moot if the Board reconsiders its rejection of the Trestle Hollow evidence for common excavation in Part IV.A, because clearing and grubbing is included in that cost evidence.

in the DCF model by approximately \$29 million.

N. The Board Erroneously Rejected DuPont's Railcar Dwell Time In Yards Based Upon Inaccurate Facts.

The Board accepted the NS evidence of railcar dwell times based upon the patently wrong assertion that DuPont's rebuttal dwell times "were based on expert judgment unsupported by any other evidence." Decision at 75. DuPont's rebuttal dwell times were not based upon the judgment of its experts, but instead, they were based on a restatement of the NS reply evidence to correct obvious overstatements created by NS's broad brush approach.

In Reply, NS included 38 hours of yard dwell time for each railcar, regardless of the type of movement on the SARR, based on average dwell times reported by the AAR for cars in NS yards. Those 38 hours were based upon three components: 8 hours in a flat yard, 10 hours in a hump yard, and 20 hours between arrival and departure on local trains.⁹¹ In Rebuttal, DuPont explained that NS's method irrationally assumed that every rail car would experience all three dwell time components while on the SARR. For example, because cars moving only as overhead traffic on the SARR do not move between arrival and departure on local trains, the 20 hour dwell time between arrival and departure on local trains clearly should not apply.⁹²

To correct this flaw in the NS approach, DuPont's rebuttal evidence accepted the NS reply dwell time components, *e.g.*, hump yard, flat yard, and local switch dwell times, but applied those components to railroad-owned cars based on each movement's characteristics.⁹³ DuPont did not rely upon expert judgment to develop rebuttal dwell times, contrary to the Board's assertion; rather, DuPont accepted the NS evidence but applied it with greater precision based upon the characteristics of each individual movement, as opposed to NS's broad brush

⁹¹ NS Reply at III-D-30.

⁹² Dup. Reb. at III-D-15.

⁹³ Id. at III-D-15-16.

application of all three components to every movement regardless of its specific characteristics. In other words, DuPont accepted the NS dwell time evidence, but corrected NS's unrealistic application of those dwell times, which is consistent with proper rebuttal standards. Duke/NS at 101. This error increased the NPV deficit in the DCF model by approximately \$35 million.

O. Overstated Set Out Track Investment and Overstated Electric Locks in Signals and Communications Costs

The Board accepted DuPont's evidence on the number of failed equipment detectors ("FEDs). Decision at 226-27. Because set-out tracks and electric locks are associated with the number of FEDs, the Board also should have used DuPont's set out track miles and electric locks. However, the Board's work papers use the NS quantities for both items. The Board overstated set-out track miles by at least 122.78 miles, which led to overstatements in roadbed preparation costs, track construction costs and signals costs. This error increased the NPV deficit in the DCF model by approximately \$154 million. This issue is rendered moot if the Board agrees with DuPont in Part II above.

P. Incorrectly Applied Land Inflation Index.

The Board accepted DuPont's land inflation factors, which averaged 1.4% per quarter, or 5.61% per year, over the DCF model period. However, instead of incorporating DuPont's actual index values, which included actual values between 4Q 2006 and 4Q 2012 and forecasted values from 1Q 2013 to 2Q 2019, the Board simply assumed 1.4% quarterly changes in land values for each quarter of the model. By not incorporating actual values where known, the Board shifted the quarterly capital recovery payments which are dependent, in part, on the quarterly inflation factors. The impact was to overstate the capital recovery charges by \$537 million on a cumulative present value basis.

Q. The Board's Determinations That Equity Flotation Costs and Real Estate Acquisition Costs Are Appropriate Was Material Error.

Although the Board rejected NS's evidence of an equity flotation fee for this case, the Board nevertheless also rejected DuPont's argument that equity flotation costs should never be part of the SAC analysis based upon the theory of contestable markets. Decision at 273-75. The Board concluded that flotation costs are not barriers to entry because they are "specific to the hypothetical scenario of having to raise \$17.2 billion in equity capital." Id. at 274. But, the fact that a railroad entering the market today would incur this cost is irrelevant to the question whether entry barriers exist because the entry process actually faced by the incumbent may have been quite different from that hypothesized for the SARR. Coal Trading, 6 I.C.C.2d at 413-14. Entry barriers that should be excluded from the SAC analysis are "any costs that a new entrant must incur that were not incurred by the incumbent." West Tex. Utils. v. BNSF Ry. Co., 1 S.T.B. at 670. NS has not presented any evidence as to equity flotation costs that it actually has incurred. The Board's sudden departure from more than a decade of decisions rejecting equity flotation costs is material error.

For similar reasons, the Board adoption of real estate acquisition costs also was material error. Decision at 139-41. NS has not made any showing that it actually incurred such costs when acquiring any of the DRR right-of-way. Thus, the imposition of such costs upon the DRR is a barrier to entry. The Board did not address this argument in rejecting DuPont's barrier to entry claim on rebuttal, but instead focused upon premiums associated with a forewarned, opportunistic market.

V. CONCLUSION.

For all of the foregoing reasons, DuPont requests that the Board reconsider, on grounds of material error, the Decision and Corrected Decision, served on March 24 and October 3, 2014,

respectively, by: (1) permitting DuPont to submit supplemental evidence on the DRR's operating plan, and the downstream effects on the SAC analysis, for the reasons stated in Part III above; and (2) reconsidering its determinations of the issues in Part IV above to the extent that such issues may not be addressed, or rendered moot, by the submission of supplemental evidence.

Respectfully submitted,



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November 12, 2014

CERTIFICATE OF SERVICE

I hereby certify that this 12th day of November 2014, I served a copy of the foregoing via e-mail and first class mail upon:

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Exhibit 1

Variable Cost, Jurisdictional Threshold, Tariff Rate and
Adjusted Issue Revenue to Cover Shortfall for DuPont Movements - 2009

Origin		Destination		Railroad(s)	Commodity	2Q2009				2009 Issue Movements 5/	2Q2009 Issue Costs 6/	2Q2009 Issue Revenue 7/	2009 Shortfall 8/	2009 Adjusted Issue Revenue To Cover Shortfall 9/	
City	ST	City	ST			Phase III Cost 1/	Jurisdictional Threshold 2/	Tariff Rate 3/	Rate to Variable Cost Ratios 4/						
(1)		(2)		(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
Exhibit A - Local Moves															
1.	Removed														
2.	Bayway	NJ	Waynesville	NC	NS	2819315	\$2,243	\$4,037	xxx						
3.	Belle	WV	Danville	IL	NS	2813980	\$1,635	\$2,943	xxx						
4.	Removed														
5.	Removed														
6.	Removed														
7.	Removed														
8.	Removed														
9.	Belle	WV	Wyandotte	MI	NS	2813934	\$1,557	\$2,803	xxx						
10.	Charleston	TN	Edgemoor	DE	NS	2812815	\$2,224	\$4,004	xxx						
11.	Edgemoor	DE	Chicago	IL	NS	2816130	\$2,222	\$4,000	xxx						
12.	Edgemoor	DE	Chillicothe	OH	NS	2816130	\$2,164	\$3,895	xxx						
13.	Edgemoor	DE	Mahrt	AL	NS	2816130	\$2,858	\$5,144	xxx						
14.	Edgemoor	DE	Riverwood Intl	GA	NS	2816130	\$2,593	\$4,667	xxx						
15.	Edgemoor	DE	Wabash	IN	NS	2816130	\$2,274	\$4,094	xxx						
16.	Lemoyne	AL	Giant	SC	NS	4810560	\$2,335	\$4,203	xxx						
17.	Loudon	TN	Braithwaite	LA	NS	2818512	\$1,936	\$3,485	xxx						
18.	Louisville	KY	Decatur	IL	NS	2819450	\$1,222	\$2,200	xxx						
19.	Removed - STB Decision March 24, 2014 (Market Dominance)														
20.	Removed														
21.	Removed														
22.	McIntosh	AL	Lemoyne	AL	NS	2812220	\$489	\$880	xxx						
23.	Reybold	DE	Detroit	MI	NS	2819315	\$1,825	\$3,286	xxx						
24.	Reybold	DE	Fort Mill	SC	NS	2819315	\$1,830	\$3,294	xxx						
25.	Reybold	DE	Morrisville	PA	NS	2819315	\$572	\$1,030	xxx						
Exhibit B - Joint Moves															
1.	Belle	WV	Anaheim	CA	NS-CHGO-UP	2813980	\$1,526	\$2,746	506%	0	\$0	\$0	\$0	\$0	
2.	Belle	WV	Bayport	TX	NS-ESTL-UP	2818620	\$2,024	\$3,644	4,537	224%	9	\$18,219	\$40,833	-\$4,438,085	\$4,478,918
3.	Removed														
4.	Belle	WV	Brownsville	TX	NS-ESTL-UP	2818221	\$2,022	\$3,639	\$4,537	224%	0	\$0	\$0	\$0	\$0
5.	Belle	WV	Burley	ID	NS-CHGO-UP	2813934	\$1,526	\$2,746	\$7,715	506%	8	\$12,206	\$61,720	-\$3,944,965	\$4,006,685
6.	Belle	WV	Cadet	MO	NS-KCITY-UP	2813934	\$2,582	\$4,647	\$9,563	370%	8	\$20,653	\$76,504	-\$3,944,965	\$4,021,469
7.	Removed														
8.	Belle	WV	Channelview	TX	NS-ESTL-UP	2818130	\$1,756	\$3,160	\$4,537	258%	12	\$21,068	\$54,444	-\$5,917,447	\$5,971,891
9.	Belle	WV	City of Commerce	CA	NS-STRTR-BNSF	2818221	\$1,763	\$3,174	\$8,561	485%	7	\$12,344	\$59,927	-\$3,451,844	\$3,511,771
10.	Belle	WV	Conroe	TX	NS-ESTL-BNSF	2813934	\$1,890	\$3,402	\$8,093	428%	55	\$103,944	\$445,115	-\$27,121,633	\$27,566,748
11.	Belle	WV	Corsicana	TX	NS-ESTL-UP	2813934	\$1,795	\$3,231	\$8,093	451%	11	\$19,746	\$89,023	-\$5,424,327	\$5,513,350
12.	Removed														
13.	Belle	WV	East Billings	MT	NS-CHGO-BNSF	2818130	\$1,506	\$2,711	\$5,132	341%	6	\$9,036	\$30,792	-\$2,958,724	\$2,989,516
14.	Belle	WV	Ethyl	AR	NS-ESTL-UP-MCNEI-LNW	2813934	\$1,810	\$3,257	\$8,093	447%	18	\$32,574	\$145,674	-\$8,876,171	\$9,021,845
15.	Belle	WV	Finley	WA	NS-CHGO-BNSF	2813934	\$1,526	\$2,747	\$7,715	506%	12	\$18,315	\$92,580	-\$5,917,447	\$6,010,027
16.	Removed														
17.	Belle	WV	Freeport	TX	NS-ESTL-UP	2818130	\$1,671	\$3,008	\$4,537	271%	0	\$0	\$0	\$0	\$0
18.	Belle	WV	Garyville	LA	NS-NEWOR-CN	2813934	\$2,949	\$5,308	\$10,560	358%	4	\$11,795	\$42,240	-\$1,972,482	\$2,014,722
19.	Belle	WV	Geismar	LA	NS-NEWOR-CN	2813934	\$2,375	\$4,274	\$10,560	445%	0	\$0	\$0	\$0	\$0
20.	Belle	WV	Janesville	WI	NS-CHGO-UP	2818131	\$1,494	\$2,689	\$7,715	516%	5	\$7,470	\$38,575	-\$2,465,603	\$2,504,178
21.	Belle	WV	Laredo	TX	NS-ESTL-UP	2818221	\$2,022	\$3,639	\$4,537	224%	0	\$0	\$0	\$0	\$0
22.	Belle	WV	Laredo	TX	NS-ESTL-UP	2818131	\$1,928	\$3,470	\$8,093	420%	0	\$0	\$0	\$0	\$0
23.	Belle	WV	Lorenzo	IL	NS-CHGO-BNSF	2813980	\$1,503	\$2,705	\$7,715	513%	2	\$3,006	\$15,430	-\$986,241	\$1,001,671
24.	Belle	WV	Los Angeles	CA	NS-STRTR-BNSF	2813934	\$1,700	\$3,060	\$6,649	391%	20	\$33,995	\$132,980	-\$9,862,412	\$9,995,392
25.	Belle	WV	Los Angeles	CA	NS-CHGO-UP	2818130	\$1,515	\$2,728	\$5,132	339%	18	\$27,276	\$92,376	-\$8,876,171	\$8,968,547
26.	Removed														
27.	Belle	WV	Millsdale	IL	NS-CHGO-CN	2818131	\$1,492	\$2,685	\$7,715	517%	20	\$29,835	\$154,300	-\$9,862,412	\$10,016,712
28.	Removed														
29.	Belle	WV	Saint Paul	MN	NS-CHGO-BNSF	2818221	\$1,659	\$2,985	\$5,132	309%	24	\$39,806	\$123,168	-\$11,834,895	\$11,958,063
30.	Belle	WV	San Dimas	CA	NS-CHGO-UP	2813980	\$1,631	\$2,936	\$7,715	473%	1	\$1,631	\$7,715	-\$493,121	\$500,836
31.	Removed														
32.	Belle	WV	St Gabriel	LA	NS-NEWOR-CN	2813934	\$2,818	\$5,072	\$10,560	375%	4	\$11,272	\$42,240	-\$1,972,482	\$2,014,722
33.	Belle	WV	St Joseph	MO	NS-KCITY-UP	2818130	\$2,356	\$4,240	\$6,465	274%	4	\$9,423	\$25,860	-\$1,972,482	\$1,998,342
34.	Removed														
35.	Belle	WV	Strang	TX	NS-ESTL-UP	2818221	\$1,966	\$3,539	\$4,537	231%	10	\$19,661	\$45,370	-\$4,931,206	\$4,976,576
36.	Belle	WV	Strang	TX	NS-ESTL-BNSF	2813934	\$1,622	\$2,919	\$8,093	499%	2	\$3,244	\$16,186	-\$986,241	\$1,002,427

Variable Cost, Jurisdictional Threshold, Tariff Rate and
Adjusted Issue Revenue to Cover Shortfall for DuPont Movements - 2009

Origin City (1)	ST	Destination		Railroad(s) (3)	Commodity (4)	2Q2009				2009 Issue Movements 5/ (9)	2Q2009 Issue Costs 6/ (10)	2Q2009 Issue Revenue 7/ (11)	2009 Shortfall 8/ (12)	2009 Adjusted Issue Revenue To Cover Shortfall 9/ (13)
		City (2)	ST			Phase III Cost 1/ (5)	Jurisdictional Threshold 2/ (6)	Tariff Rate 3/ (7)	Rate to Variable Cost Ratios 4/ (8)					
37. Belle	WV	Strang	TX	NS-ESTL-UP	2819183	\$1,741	\$3,134	\$4,157	2399%	25	\$43,529	\$103,925	-\$12,328,015	\$12,431,940
38. Removed														
39. Belle	WV	Texas City	TX	NS-ESTL-UP	2813934	\$1,810	\$3,258	\$8,093	447%	1	\$1,810	\$8,093	-\$493,121	\$501,214
40. Belle	WV	Verona	MO	NS-ESTL-BNSF	2813934	\$1,876	\$3,376	\$8,093	431%	12	\$22,509	\$97,116	-\$5,917,447	\$6,014,563
41. Belle	WV	West Memphis	AR	NS-KCITY-UP	2813934	\$2,362	\$4,252	\$9,563	405%	9	\$21,259	\$86,067	-\$4,438,085	\$4,524,152
42. Belle	WV	Winford Spur	LA	NS-MERID-KCS	2813980	\$2,501	\$4,502	\$8,939	357%	3	\$7,503	\$26,817	-\$1,479,362	\$1,506,179
43. Belle	WV	Wichita	KS	NS-ESTL-BNSF	2813934	\$1,916	\$3,448	\$8,093	422%	0	\$0	\$0	\$0	\$0
44. Bloomington	TX	Greenville	SC	UP-NEWOR-NS	2821142	\$1,439	\$2,589	\$5,713	397%	0	\$0	\$0	\$0	\$0
45. Bloomington	TX	Washington; Warren	NJ	UP-ESTL-NS	2821142	\$2,276	\$4,097	\$9,013	396%	0	\$0	\$0	\$0	\$0
46. Removed														
47. Charleston; Bradley	TN	Woodstock	TN	NS-MEMPH-CN	2812220	\$1,021	\$1,838	\$1,911	187%	161	\$164,390	\$307,671	-\$79,392,417	\$79,700,088
48. Cresap	WV	Edgemoor	DE	CSXT-HAGTN-NS	2991315	\$639	\$1,150	\$2,341	366%	84	\$53,675	\$196,644	-\$41,422,131	\$41,618,775
49. Dowling	TX	Fort Mill	SC	KCS-MERID-NS	2815112	\$1,726	\$3,108	\$4,450	258%	1	\$1,726	\$4,450	-\$493,121	\$497,571
50. Edgemoor	DE	Garland	TX	NS-MERID-KCS	2816130	\$2,786	\$5,015	\$6,246	224%	11	\$30,646	\$68,706	-\$5,424,327	\$5,493,033
51. Edgemoor	DE	Groos	MI	NS-CHGO-CN	2816130	\$2,128	\$3,830	\$5,689	267%	33	\$70,223	\$187,737	-\$16,272,980	\$16,460,717
52. Edgemoor	DE	Laredo	TX	NS-ESTL-UP	2816130	\$2,554	\$4,597	\$6,093	239%	0	\$0	\$0	\$0	\$0
53. Edgemoor	DE	Madawaska	ME	NS-ROUPT-CN	2816130	\$1,273	\$2,291	\$3,530	277%	29	\$36,916	\$102,370	-\$14,300,498	\$14,402,868
54. Edgemoor	DE	Pasadena	TX	NS-ESTL-UP	2819971	\$2,418	\$4,352	\$10,747	444%	14	\$33,850	\$150,458	-\$6,903,688	\$7,054,146
55. Edgemoor	DE	Port Huron	MI	NS-BUFF-CN	2816130	\$1,655	\$2,980	\$4,880	295%	14	\$23,177	\$68,320	-\$6,903,688	\$6,972,008
56. Edgemoor	DE	Portland	ME	NS-MCV-PAS-AYERM-ST	2816130	\$1,270	\$2,286	\$3,149	248%	27	\$34,285	\$85,023	-\$13,314,256	\$13,399,279
57. Edgemoor	DE	Portland	OR	NS-CHGO-BNSF	2816130	\$2,151	\$3,872	\$5,689	264%	20	\$43,028	\$113,780	-\$9,862,412	\$9,976,192
58. Edgemoor	DE	Quinnesec	MI	NS-CHGO-CN	2816130	\$2,129	\$3,832	\$5,689	267%	6	\$12,775	\$34,134	-\$2,958,724	\$2,992,858
59. Edgemoor	DE	Rileys	ME	NS-MCV-PAS-AYERM-ST	2816130	\$1,274	\$2,293	\$3,149	247%	20	\$25,478	\$62,980	-\$9,862,412	\$9,925,392
60. Edgemoor	DE	Rumford	ME	NS-MCV-PAS-AYERM-ST	2816130	\$1,270	\$2,286	\$3,149	248%	41	\$52,072	\$129,109	-\$20,217,945	\$20,347,054
61. Removed														
62. Edgemoor	DE	Shawmutt	ME	NS-MCV-PAS-AYERM-ST	2816130	\$1,271	\$2,289	\$3,149	248%	21	\$26,700	\$66,129	-\$10,355,533	\$10,421,662
63. Edgemoor	DE	Snoboy	CA	NS-CHGO-UP	2816130	\$2,155	\$3,880	\$5,689	264%	11	\$23,710	\$62,579	-\$5,424,327	\$5,486,906
64. Edgemoor	DE	Snoboy	CA	NS-STRTR-BNSF	2816130	\$2,319	\$4,174	\$5,101	220%	1	\$2,319	\$5,101	-\$493,121	\$498,222
65. Edgemoor	DE	St Paul	MN	NS-CHGO-UP	2816130	\$2,152	\$3,873	\$5,689	264%	10	\$21,515	\$56,890	-\$4,931,206	\$4,988,096
66. Removed														
67. Edgemoor	DE	West Monroe	LA	NS-MERID-KCS	2816130	\$2,790	\$5,021	\$6,246	224%	44	\$122,740	\$274,824	-\$21,697,307	\$21,972,131
68. Edgemoor	DE	Wheeling	IL	NS-CHGO-CN	2816130	\$2,120	\$3,816	\$5,689	268%	19	\$40,285	\$108,091	-\$9,369,291	\$9,477,382
69. Removed - STB Decision March 24, 2014 (Market Dominance)														
70. Removed														
71. Gregory	TX	Dragon	MS	UP-NEWOR-NS	2813984	\$494	\$889	\$2,373	481%	5	\$2,469	\$11,865	-\$2,465,603	\$2,477,468
72. Removed														
73. Gregory	TX	Royce	NJ	UP-ESTL-NS	2813984	\$2,604	\$4,687	\$10,123	389%	13	\$33,847	\$131,599	-\$6,410,568	\$6,542,167
74. Removed														
75. Lemont	IL	Edgemoor	DE	BNSF-CHGO-NS	2991315	\$2,004	\$3,608	\$4,608	230%	85	\$170,360	\$391,680	-\$41,915,251	\$42,306,931
76. Lemoine	AL	Artesia	MS	NS-MERID-KCS	4810560	\$1,210	\$2,177	\$3,550	293%	0	\$0	\$0	\$0	\$0
77. McIntosh	AL	Burnside	LA	NS-MOBIL-CN	2819330	\$312	\$562	\$1,092	350%	102	\$31,837	\$111,384	-\$50,298,302	\$50,409,686
78. McIntosh	AL	Delisle	MS	NS-MOBIL-CN-HATBG-KCS	2812815	\$316	\$569	\$2,184	690%	535	\$169,222	\$1,168,440	-\$263,819,523	\$264,987,963
79. McIntosh	AL	Delisle	MS	NS-MOBIL-CN-HATBG-KCS	2812220	\$322	\$579	\$1,993	620%	92	\$29,596	\$183,356	-\$45,367,096	\$45,550,452
80. McIntosh	AL	Orange	TX	NS-NEWOR-UP	2812220	\$1,545	\$2,781	\$3,658	237%	17	\$26,261	\$62,186	-\$8,383,050	\$8,445,236
81. McIntosh	AL	Woodstock	TN	NS-MOBIL-CN	2812220	\$321	\$579	\$1,993	620%	201	\$64,619	\$400,593	-\$99,117,242	\$99,517,835
82. Orange	TX	Greenville	SC	UP-NEWOR-NS	2821142	\$1,978	\$3,561	\$5,713	289%	4	\$7,913	\$22,852	-\$1,972,482	\$1,995,334
83. Orange	TX	Washington; Warren	NJ	UP-ESTL-NS	2821142	\$2,128	\$3,830	\$9,013	424%	5	\$10,639	\$45,065	-\$2,465,603	\$2,510,668
84. Pascagoula	MS	Fort Mill	NC	MSE-MOBIL-NS	2815112	\$2,006	\$3,611	\$4,068	203%	0	\$0	\$0	\$0	\$0
85. Pascagoula	MS	Lemoine	AL	MSE-MOBIL-NS	2815112	\$273	\$492	\$1,092	400%	0	\$0	\$0	\$0	\$0
86. Strang	TX	Lemoine	AL	UP-NEWOR-NS	2812350	\$1,718	\$3,093	\$4,003	233%	0	\$0	\$0	\$0	\$0
87. Beauharnois	PQ	Edgemoor	DE	CSXT-BUFF-NS	2812815	\$1,390	\$2,502	xxx						
88. Removed														
89. Belle	WV	Gainesville	GA	NS-CINTI-CSXT	2813980	\$1,399	\$2,518	xxx						
90. Belle	WV	Port Bienville	MS	NS-ATLA-CSXT-ANSLE-PBVR	2813934	\$2,557	\$4,602	xxx						
91. Belle	WV	Theodore	AL	NS-CINTI-CSXT	2813934	\$1,391	\$2,503	xxx						
92. Bellwood	VA	Dallas	GA	CSXT-PTRSB-NS	2819315	\$2,129	\$3,832	xxx						
93. Removed - STB Decision March 24, 2014 (Market Dominance)														
94. Bellwood	VA	Rockwell	NC	CSXT-PTRSB-NS	2819315	\$915	\$1,647	xxx						
95. Removed														
96. Danville	VA	Amphill	VA	NS-PTRSB-CSXT	3274110	\$599	\$1,078	xxx						
97. Edgemoor	DE	New Johnsonville	TN	NS-CINTI-CSXT	2816130	\$2,231	\$4,016	xxx						
98. Removed - STB Decision March 24, 2014 (Market Dominance)														
99. Loudon	TN	Graingers	NC	NS-CHATT-CSXT	2818512	\$556	\$1,000	xxx						
100. Loudon	TN	Graingers	NC	NS-CHATT-CSXT	2818512	\$574	\$1,032	xxx						

**Variable Cost, Jurisdictional Threshold, Tariff Rate and
Adjusted Issue Revenue to Cover Shortfall for DuPont Movements - 2009**

Origin		Destination		Railroad(s)	Commodity	2Q2009				2009 Issue Movements 5/	2Q2009 Issue Costs 6/	2Q2009 Issue Revenue 7/	2009 Shortfall 8/	2009 Adjusted Issue Revenue To Cover Shortfall 9/		
City (1)	ST	City (2)	ST			Phase III Cost 1/	Jurisdictional Threshold 2/	Tariff Rate 3/	Rate to Variable Cost Ratios 4/							
101.	Miami Fort	OH	Dallas	GA	CSXT-CINTI-NS	2819315	\$1,454	\$2,617	xxx							
102.	Miami Fort	OH	Gracewood	GA	CSXT-CHATT-NS	2819325	\$1,335	\$2,403	xxx							
103.	Miami Fort	OH	McIntosh	AL	CSXT-CHATT-NS	2819340	\$942	\$1,696	xxx							
104.	Removed															
105.	Removed															
106.	Miami Fort	OH	Pepper	VA	CSXT-CINTI-NS	2819345	\$1,945	\$3,500	xxx							
107.	Natrium	WV	Belle	WV	CSXT-CINTI-NS	2812220	\$1,457	\$2,622	xxx							
108.	Natrium	WV	Danville	VA	CSXT-LYNCH-NS	2812220	\$371	\$668	xxx							
109.	New Johnsonville	TN	Chapman	PA	CSXT-CINTI-NS	2816130	\$2,022	\$3,640	xxx							
110.	Removed															
111.	New Johnsonville	TN	Morrow	GA	CSXT-CHATT-NS	2816130	\$649	\$1,168	xxx							
112.	Niagara Falls	NY	Belle	WV	CSXT-CLMBO-NS	2812220	\$853	\$1,535	xxx							
113.	Niagara Falls	NY	Edgemoor	DE	CSXT-BUFF-NS	2812815	\$1,378	\$2,481	xxx							
114.	Niagara Falls	NY	Edgemoor	DE	CSXT-BUFF-NS	2812220	\$1,403	\$2,525	xxx							
115.	Pascagoula	MS	Fort Mill	SC	CSXT-ATLA-NS	2815112	\$1,256	\$2,262	xxx							
116.	Starke	FL	Huntsville	AL	CSXT-DCTUR-NS	1441325	\$279	\$501	xxx							
117.	Starke	FL	Huntsville	AL	CSXT-DCTUR-NS	1441325	\$454	\$817	xxx							
118.	Removed - STB Decision March 24, 2014 (Market Dominance)															
119.	Wurtland	KY	McIntosh	AL	CSXT-BHAM-NS	2819315	\$755	\$1,359	xxx							
120.	Belle	WV	Divine	IL	NS-PINE-CN	2813980	\$1,433	\$2,580	xxx							
121.	Belle	WV	Mapleton	IL	NS-LOGPT-TPW	2813934	\$1,276	\$2,298	xxx							
122.	Burnside	LA	Gracewood	GA	CN-NEWOR-NS	2819325	\$1,841	\$3,314	xxx							
123.	Removed - STB Decision March 24, 2014 (Market Dominance)															
124.	New Johnsonville	TN	McDonough	GA	CSXT-CHATT-NS	2816130	\$972	\$1,750	\$2,951	304%	8	\$7,777	\$23,608	-\$3,944,965	\$3,968,573	
125.	Charleston	TN	Woodstock	TN	NS-MEMPH-CN	2812410	\$1,008	\$1,815	xxx							
126.	Reybold	DE	Albuquerque	NM	NS-STRTR-BNSF	2819315	\$2,280	\$4,104	xxx							
127.	Reybold	DE	Baltimore	MD	NS-BALBV-CSXT	2819315	\$373	\$672	xxx							
128.	Reybold	DE	Blair	NE	NS-CHGO-UP	2819315	\$2,115	\$3,807	xxx							
129.	Reybold	DE	Brewton	AL	NS-BHAM-CSXT	2819315	\$2,388	\$4,299	xxx							
130.	Reybold	DE	Castle Hayne	NC	NS-CHLTE-CSXT	2819315	\$1,656	\$2,980	xxx							
131.	Reybold	DE	Clifton	AZ	NS-KCITY-UP	2819315	\$3,044	\$5,480	xxx							
132.	Reybold	DE	Corson	SD	NS-CHGO-BNSF	2819315	\$2,115	\$3,807	xxx							
133.	Removed															
134.	Reybold	DE	Ferguson	MS	NS-MEMPHIS-CN	2819315	\$2,762	\$4,971	xxx							
135.	Reybold	DE	Hastings	NE	NS-CHGO-BNSF	2819315	\$2,115	\$3,807	xxx							
136.	Reybold	DE	Indianapolis	IN	NS-CINTI-CSXT	2819315	\$1,902	\$3,424	xxx							
137.	Reybold	DE	Omaha	NE	NS-CHGO-UP	2819315	\$2,115	\$3,807	xxx							
138.	Reybold	DE	Orange	TX	NS-ESTL-BNSF	2819315	\$2,526	\$4,548	xxx							
139.	Reybold	DE	Phoenix	AZ	NS-STRTR-BNSF	2819315	\$2,280	\$4,104	xxx							
140.	Reybold	DE	Sioux City	IA	NS-CHGO-BNSF	2819315	\$2,115	\$3,807	xxx							
141.	Reybold	DE	Toledo	OH	NS-TOLED-CSXT	2819315	\$1,586	\$2,854	xxx							
142.	Reybold	DE	Washington	WV	NS-HAGTN-CSXT	2819315	\$633	\$1,140	xxx							
143.	Total										1,944	\$1,937,177	\$6,792,694			
144.	Rate to Variable Cost Ratio												351%	11/		
145.	Minimum Rate to Variable Cost Ratio															\$965,419,149
146.	Maximum Rate to Variable Cost Ratio															49,836%

1/ STB Decision workpapers "STB Revised Variable Cost Calculation.xlsx" 2Q2009 variable costs.
2/ Column (5) x 1.8
3/ Tariff Rate from Rebuttal Exhibit II-A-16
4/ Column (7) ÷ Column (5)
5/ Issue Movement carloads from Rebuttal workpaper "DuPont Issue Lead Unit Waybills_2009 & 2010 Data for T&O Final.xlsx" for lanes with effective tariff rates.
6/ Column (5) x Column (9)
7/ Column (7) x Column (9)
8/ Line 143 Column (12) ÷ Line 143 Column (9) x Column (9)
9/ Column (11) - Column (12)
10/ Revenue shortfall for 2009 from, "D42125 Exhibit III-H-1 STB No3 Corrected STB.xlsm", netting level, in the STB's 10/3/14 decision.
11/ Line 143 Column (11) ÷ Line 143 Column (10)
12/ Line 143 Column (13) ÷ Line 143 Column (10)

Variable Cost, Jurisdictional Threshold, Tariff Rate and
Adjusted Issue Revenue to Cover Shortfall for DuPont Movements - 2010

Origin		Destination		Railroad(s)	Commodity	1Q2010					2010 Issue Movements 5/	1Q2010 Issue Costs 6/	1Q2010 Issue Revenue 7/	2010 Shortfall 8/	2010 Adjusted Issue Revenue To Cover Shortfall 9/
City (1)	ST	City (2)	ST			Phase III Cost 1/	Jurisdictional Threshold 2/	Tariff Rate 3/	Rate to Variable Cost Ratios 4/						
Exhibit A - Local Moves															
1.	Removed														
2.	Bayway	NJ	Waynesville	NC	NS	2819315	\$2,310	\$4,158	xxx						
3.	Belle	WV	Danville	IL	NS	2813980	\$1,687	\$3,037	xxx						
4.	Removed														
5.	Removed														
6.	Removed														
7.	Removed														
8.	Removed														
9.	Belle	WV	Wyandotte	MI	NS	2813934	\$1,598	\$2,876	xxx						
10.	Charleston	TN	Edgemoor	DE	NS	2812815	\$2,290	\$4,121	xxx						
11.	Edgemoor	DE	Chicago	IL	NS	2816130	\$2,289	\$4,121	xxx						
12.	Edgemoor	DE	Chillicothe	OH	NS	2816130	\$2,229	\$4,013	xxx						
13.	Edgemoor	DE	Mahrt	AL	NS	2816130	\$2,947	\$5,305	xxx						
14.	Edgemoor	DE	Riverwood Intl	GA	NS	2816130	\$2,673	\$4,812	xxx						
15.	Edgemoor	DE	Wabash	IN	NS	2816130	\$2,344	\$4,219	xxx						
16.	Lemoyne	AL	Giant	SC	NS	4810560	\$2,412	\$4,342	xxx						
17.	Loudon	TN	Braithwaite	LA	NS	2818512	\$2,002	\$3,604	xxx						
18.	Louisville	KY	Decatur	IL	NS	2819450	\$1,255	\$2,259	xxx						
19.	Removed - STB Decision March 24, 2014 (Market Dominance)														
20.	Removed														
21.	Removed														
22.	McIntosh	AL	Lemoyne	AL	NS	2812220	\$497	\$894	xxx						
23.	Reybold	DE	Detroit	MI	NS	2819315	\$1,879	\$3,382	xxx						
24.	Reybold	DE	Fort Mill	SC	NS	2819315	\$1,883	\$3,390	xxx						
25.	Reybold	DE	Morrisville	PA	NS	2819315	\$582	\$1,048	xxx						
Exhibit B - Joint Moves															
1.	Belle	WV	Anaheim	CA	NS-CHGO-UP	2813980	\$1,578	\$2,840	489%	1	\$1,578	\$7,715	-\$440,308	\$448,023	
2.	Belle	WV	Bayport	TX	NS-ESTL-UP	2818620	\$2,098	\$3,776	262%	18	\$37,763	\$99,000	-\$7,925,553	\$8,024,553	
3.	Removed														
4.	Belle	WV	Brownsville	TX	NS-ESTL-UP	2818221	\$2,096	\$3,773	262%	0	\$0	\$0	\$0	\$0	
5.	Belle	WV	Burley	ID	NS-CHGO-UP	2813934	\$1,578	\$2,840	489%	7	\$11,043	\$54,005	-\$3,082,159	\$3,136,164	
6.	Belle	WV	Cadet	MO	NS-KCITY-UP	2813934	\$2,674	\$4,814	294%	0	\$0	\$0	\$0	\$0	
7.	Removed														
8.	Belle	WV	Channelview	TX	NS-ESTL-UP	2818130	\$1,815	\$3,268	303%	21	\$38,125	\$115,500	-\$9,246,478	\$9,361,978	
9.	Belle	WV	City of Commerce	CA	NS-STRTR-BNSF	2818221	\$1,828	\$3,290	468%	8	\$14,622	\$68,488	-\$3,522,468	\$3,590,956	
10.	Belle	WV	Conroe	TX	NS-ESTL-BNSF	2813934	\$1,956	\$3,521	414%	89	\$174,080	\$720,277	-\$39,187,455	\$39,907,732	
11.	Belle	WV	Corsicana	TX	NS-ESTL-UP	2813934	\$1,857	\$3,343	436%	13	\$24,146	\$105,209	-\$5,724,010	\$5,829,219	
12.	Removed														
13.	Belle	WV	East Billings	MT	NS-CHGO-BNSF	2818130	\$1,557	\$2,802	379%	9	\$14,012	\$53,100	-\$3,962,776	\$4,015,876	
14.	Belle	WV	Ethyl	AR	NS-ESTL-UP-MCNEI-LNW	2813934	\$1,873	\$3,371	432%	30	\$56,182	\$242,790	-\$13,209,255	\$13,452,045	
15.	Belle	WV	Finley	WA	NS-CHGO-BNSF	2813934	\$1,578	\$2,841	489%	17	\$26,832	\$131,155	-\$7,485,244	\$7,616,399	
16.	Removed														
17.	Belle	WV	Freeport	TX	NS-ESTL-UP	2818130	\$1,726	\$3,107	319%	12	\$20,714	\$66,000	-\$5,283,702	\$5,349,702	
18.	Belle	WV	Garyville	LA	NS-NEWOR-CN	2813934	\$3,056	\$5,500	346%	13	\$39,725	\$137,280	-\$5,724,010	\$5,861,290	
19.	Belle	WV	Geismar	LA	NS-NEWOR-CN	2813934	\$2,458	\$4,425	430%	0	\$0	\$0	\$0	\$0	
20.	Belle	WV	Janesville	WI	NS-CHGO-UP	2818131	\$1,537	\$2,767	502%	10	\$15,372	\$77,150	-\$4,403,085	\$4,480,235	
21.	Belle	WV	Laredo	TX	NS-ESTL-UP	2818221	\$2,096	\$3,773	262%	0	\$0	\$0	\$0	\$0	
22.	Belle	WV	Laredo	TX	NS-ESTL-UP	2818131	\$1,997	\$3,594	405%	0	\$0	\$0	\$0	\$0	
23.	Belle	WV	Lorenzo	IL	NS-CHGO-BNSF	2813980	\$1,554	\$2,797	496%	9	\$13,986	\$69,435	-\$3,962,776	\$4,032,211	
24.	Belle	WV	Los Angeles	CA	NS-STRTR-BNSF	2813934	\$1,759	\$3,166	378%	32	\$56,278	\$212,768	-\$14,089,872	\$14,302,640	
25.	Belle	WV	Los Angeles	CA	NS-CHGO-UP	2818130	\$1,567	\$2,820	377%	24	\$37,596	\$141,600	-\$10,567,404	\$10,709,004	
26.	Removed														
27.	Belle	WV	Millsdale	IL	NS-CHGO-CN	2818131	\$1,535	\$2,763	503%	32	\$49,115	\$246,880	-\$14,089,872	\$14,336,752	
28.	Removed														
29.	Belle	WV	Saint Paul	MN	NS-CHGO-BNSF	2818221	\$1,719	\$3,093	590%	43	\$73,900	\$253,700	-\$18,933,265	\$19,186,965	
30.	Belle	WV	San Dimas	CA	NS-CHGO-UP	2813980	\$1,687	\$3,037	457%	2	\$3,375	\$15,430	-\$880,617	\$896,047	
31.	Removed														
32.	Belle	WV	St Gabriel	LA	NS-NEWOR-CN	2813934	\$2,920	\$5,255	362%	33	\$96,346	\$348,480	-\$14,530,180	\$14,878,660	
33.	Belle	WV	St Joseph	MO	NS-KCITY-UP	2818130	\$2,439	\$4,390	265%	4	\$9,757	\$25,860	-\$1,761,234	\$1,787,094	
34.	Removed														
35.	Belle	WV	Strang	TX	NS-ESTL-UP	2818221	\$2,038	\$3,669	270%	11	\$22,423	\$60,500	-\$4,843,393	\$4,903,893	
36.	Belle	WV	Strang	TX	NS-ESTL-BNSF	2813934	\$1,674	\$3,012	484%	3	\$5,021	\$24,279	-\$1,320,925	\$1,345,204	

Variable Cost, Jurisdictional Threshold, Tariff Rate and
Adjusted Issue Revenue to Cover Shortfall for DuPont Movements - 2010

Origin		Destination		Railroad(s)	Commodity	1Q2010				2010 Issue Movements 5/	2010 Issue	1Q2010 Issue	2010 Shortfall 8/	2010 Adjusted Issue Revenue To Cover Shortfall 9/
City (1)	ST	City (2)	ST			Phase III Cost 1/	Jurisdictional Threshold 2/	Tariff Rate 3/	Rate to Variable Cost Ratios 4/		Costs 6/	Revenue 7/		
37. Belle	WV	Strang	TX	NS-ESTL-UP	2819183	\$1,791	\$3,224	\$4,157	232%	33	\$59,113	\$137,181	-\$14,530,180	\$14,667,361
38. Removed														
39. Belle	WV	Texas City	TX	NS-ESTL-UP	2813934	\$1,873	\$3,371	\$8,093	432%	3	\$5,618	\$24,279	-\$1,320,925	\$1,345,204
40. Belle	WV	Verona	MO	NS-ESTL-BNSF	2813934	\$1,941	\$3,494	\$8,093	417%	16	\$31,057	\$129,488	-\$7,044,936	\$7,174,424
41. Belle	WV	West Memphis	AR	NS-KCITY-UP	2813934	\$2,446	\$4,403	\$7,875	322%	9	\$22,015	\$70,875	-\$3,962,776	\$4,033,651
42. Belle	WV	Winford Spur	LA	NS-MERID-KCS	2813980	\$2,591	\$4,663	\$8,939	345%	5	\$12,954	\$44,695	-\$2,201,542	\$2,246,237
43. Belle	WV	Wichita	KS	NS-ESTL-BNSF	2813934	\$1,983	\$3,569	\$8,093	408%	6	\$11,896	\$48,558	-\$2,641,851	\$2,690,409
44. Bloomington	TX	Greenville	SC	UP-NEWOR-NS	2821142	\$1,495	\$2,691	\$5,713	382%	0	\$0	\$0	\$0	\$0
45. Bloomington	TX	Washington; Warren	NJ	UP-ESTL-NS	2821142	\$2,374	\$4,272	\$9,013	380%	4	\$9,494	\$36,052	-\$1,761,234	\$1,797,286
46. Removed														
47. Charleston; Bradley	TN	Woodstock	TN	NS-MEMPH-CN	2812220	\$1,051	\$1,891	\$1,911	182%	59	\$61,996	\$112,749	-\$25,978,201	\$26,090,950
48. Cresap	WV	Edgemoor	DE	CSXT-HAGTN-NS	2991315	\$661	\$1,189	\$2,341	354%	0	\$0	\$0	\$0	\$0
49. Dowling	TX	Fort Mill	SC	KCS-MERID-NS	2815112	\$1,785	\$3,213	\$4,450	249%	3	\$5,355	\$13,350	-\$1,320,925	\$1,334,275
50. Edgemoor	DE	Garland	TX	NS-MERID-KCS	2816130	\$2,876	\$5,177	\$8,200	285%	22	\$63,280	\$180,400	-\$9,686,787	\$9,867,187
51. Edgemoor	DE	Groos	MI	NS-CHGO-CN	2816130	\$2,196	\$3,952	\$6,500	296%	57	\$125,152	\$370,500	-\$25,097,584	\$25,468,084
52. Edgemoor	DE	Laredo	TX	NS-ESTL-UP	2816130	\$2,636	\$4,746	\$6,093	231%	0	\$0	\$0	\$0	\$0
53. Edgemoor	DE	Madawaska	ME	NS-ROUPT-CN	2816130	\$1,311	\$2,360	\$4,000	305%	47	\$61,619	\$188,000	-\$20,694,499	\$20,882,499
54. Edgemoor	DE	Pasadena	TX	NS-ESTL-UP	2819971	\$2,492	\$4,485	\$13,600	546%	17	\$42,362	\$231,200	-\$7,485,244	\$7,716,444
55. Edgemoor	DE	Port Huron	MI	NS-BUFF-CN	2816130	\$1,707	\$3,072	\$4,880	286%	25	\$42,671	\$122,000	-\$11,007,712	\$11,129,712
56. Edgemoor	DE	Portland	ME	NS-MCV-PAS-AYERM-ST	2816130	\$1,308	\$2,354	\$4,000	306%	48	\$62,767	\$192,000	-\$21,134,807	\$21,326,807
57. Edgemoor	DE	Portland	OR	NS-CHGO-BNSF	2816130	\$2,220	\$3,996	\$6,500	293%	35	\$77,699	\$227,500	-\$15,410,797	\$15,638,297
58. Edgemoor	DE	Quinnesec	MI	NS-CHGO-CN	2816130	\$2,197	\$3,954	\$6,500	296%	19	\$41,739	\$123,500	-\$8,365,861	\$8,489,361
59. Edgemoor	DE	Rileys	ME	NS-MCV-PAS-AYERM-ST	2816130	\$1,312	\$2,362	\$4,000	305%	20	\$26,239	\$80,000	-\$8,806,170	\$8,886,170
60. Edgemoor	DE	Rumford	ME	NS-MCV-PAS-AYERM-ST	2816130	\$1,308	\$2,354	\$4,000	306%	34	\$44,472	\$136,000	-\$14,970,488	\$15,106,488
61. Removed														
62. Edgemoor	DE	Shawmutt	ME	NS-MCV-PAS-AYERM-ST	2816130	\$1,309	\$2,357	\$4,000	305%	40	\$52,377	\$160,000	-\$17,612,339	\$17,772,339
63. Edgemoor	DE	Snoboy	CA	NS-CHGO-UP	2816130	\$2,224	\$4,003	\$6,500	292%	25	\$55,603	\$162,500	-\$11,007,712	\$11,170,212
64. Edgemoor	DE	Snoboy	CA	NS-STRTR-BNSF	2816130	\$2,393	\$4,308	\$5,101	213%	0	\$0	\$0	\$0	\$0
65. Edgemoor	DE	St Paul	MN	NS-CHGO-UP	2816130	\$2,220	\$3,996	\$6,500	293%	11	\$24,419	\$71,500	-\$4,843,393	\$4,914,893
66. Removed														
67. Edgemoor	DE	West Monroe	LA	NS-MERID-KCS	2816130	\$2,880	\$5,184	\$8,200	285%	67	\$192,970	\$549,400	-\$29,500,668	\$30,050,068
68. Edgemoor	DE	Wheeling	IL	NS-CHGO-CN	2816130	\$2,188	\$3,938	\$6,500	297%	36	\$78,753	\$234,000	-\$15,851,105	\$16,085,105
69. Removed - STB Decision March 24, 2014 (Market Dominance)														
70. Removed														
71. Gregory	TX	Dragon	MS	UP-NEWOR-NS	2813984	\$506	\$911	\$2,373	469%	27	\$13,669	\$64,071	-\$11,888,329	\$11,952,400
72. Removed														
73. Gregory	TX	Royce	NJ	UP-ESTL-NS	2813984	\$2,699	\$4,859	\$10,123	375%	30	\$80,975	\$303,690	-\$13,209,255	\$13,512,945
74. Removed														
75. Lemont	IL	Edgemoor	DE	BNSF-CHGO-NS	2991315	\$2,092	\$3,765	\$4,905	235%	109	\$227,980	\$534,645	-\$47,993,625	\$48,528,270
76. Lemoyne	AL	Artesia	MS	NS-MERID-KCS	4810560	\$1,241	\$2,234	\$4,800	387%	0	\$0	\$0	\$0	\$0
77. McIntosh	AL	Burnside	LA	NS-MOBIL-CN	2819330	\$317	\$570	\$1,603	506%	257	\$81,362	\$411,971	-\$113,159,281	\$113,571,252
78. McIntosh	AL	Delisle	MS	NS-MOBIL-CN-HATBG-KCS	2812815	\$322	\$579	\$1,700	529%	1,444	\$464,445	\$2,454,800	-\$635,805,452	\$638,260,252
79. McIntosh	AL	Delisle	MS	NS-MOBIL-CN-HATBG-KCS	2812220	\$327	\$589	\$1,500	458%	8	\$2,619	\$12,000	-\$3,522,468	\$3,534,468
80. McIntosh	AL	Orange	TX	NS-NEWOR-UP	2812220	\$1,592	\$2,866	\$5,000	314%	0	\$0	\$0	\$0	\$0
81. McIntosh	AL	Woodstock	TN	NS-MOBIL-CN	2812220	\$327	\$589	\$1,500	458%	84	\$27,484	\$126,000	-\$36,985,913	\$37,111,913
82. Orange	TX	Greenville	SC	UP-NEWOR-NS	2821142	\$2,059	\$3,707	\$5,713	277%	10	\$20,592	\$57,130	-\$4,403,085	\$4,460,215
83. Orange	TX	Washington; Warren	NJ	UP-ESTL-NS	2821142	\$2,215	\$3,988	\$9,013	407%	4	\$8,861	\$36,052	-\$1,761,234	\$1,797,286
84. Pascagoula	MS	Fort Mill	SC	MSE-MOBIL-NS	2815112	\$2,067	\$3,720	\$6,000	290%	4	\$8,266	\$24,000	-\$1,761,234	\$1,785,234
85. Pascagoula	MS	Lemoyne	AL	MSE-MOBIL-NS	2815112	\$277	\$499	\$1,092	394%	0	\$0	\$0	\$0	\$0
86. Strang	TX	Lemoyne	AL	UP-NEWOR-NS	2812350	\$1,780	\$3,204	\$5,000	281%	4	\$7,121	\$20,000	-\$1,761,234	\$1,781,234
87. Beauharnois	PQ	Edgemoor	DE	CSXT-BUFF-NS	2812815	\$1,431	\$2,576	xxx						
88. Removed														
89. Belle	WV	Gainesville	GA	NS-CINTI-CSXT	2813980	\$1,446	\$2,603	xxx						
90. Belle	WV	Port Bienville	MS	NS-ATLA-CSXT-ANSLE-PBVR	2813934	\$2,648	\$4,767	xxx						
91. Belle	WV	Theodore	AL	NS-CINTI-CSXT	2813934	\$1,438	\$2,588	xxx						
92. Bellwood	VA	Dallas	GA	CSXT-PTRSB-NS	2819315	\$2,196	\$3,953	xxx						
93. Removed - STB Decision March 24, 2014 (Market Dominance)														
94. Bellwood	VA	Rockwell	NC	CSXT-PTRSB-NS	2819315	\$940	\$1,693	xxx						
95. Removed														
96. Danville	VA	Amphill	VA	NS-PTRSB-CSXT	3274110	\$618	\$1,112	xxx						
97. Edgemoor	DE	New Johnsonville	TN	NS-CINTI-CSXT	2816130	\$2,302	\$4,144	xxx						
98. Removed - STB Decision March 24, 2014 (Market Dominance)														
99. Loudon	TN	Graingers	NC	NS-CHATT-CSXT	2818512	\$568	\$1,023	xxx						
100. Loudon	TN	Graingers	NC	NS-CHATT-CSXT	2818512	\$590	\$1,061	xxx						

Variable Cost, Jurisdictional Threshold, Tariff Rate and
Adjusted Issue Revenue to Cover Shortfall for DuPont Movements - 2010

Origin		Destination		Railroad(s)	Commodity	1Q2010				2010 Issue Movements 5/	1Q2010 Issue Costs 6/	1Q2010 Issue Revenue 7/	2010 Shortfall 8/	2010 Adjusted Issue Revenue To Cover Shortfall 9/	
City (1)	ST	City (2)	ST			Phase III Cost 1/	Jurisdictional Threshold 2/	Tariff Rate 3/	Rate to Variable Cost Ratios 4/						
101.	Miami Fort	OH	Dallas	GA	CSXT-CINTI-NS	2819315	\$1,498	\$2,696	xxx						
102.	Miami Fort	OH	Gracewood	GA	CSXT-CHATT-NS	2819325	\$1,374	\$2,473	xxx						
103.	Miami Fort	OH	McIntosh	AL	CSXT-CHATT-NS	2819340	\$966	\$1,738	xxx						
104.	Removed														
105.	Removed														
106.	Miami Fort	OH	Pepper	VA	CSXT-CINTI-NS	2819345	\$2,004	\$3,607	xxx						
107.	Natrium	WV	Belle	WV	CSXT-CINTI-NS	2812220	\$1,502	\$2,703	xxx						
108.	Natrium	WV	Danville	VA	CSXT-LYNCH-NS	2812220	\$378	\$681	xxx						
109.	New Johnsonville	TN	Chapman	PA	CSXT-CINTI-NS	2816130	\$2,086	\$3,755	xxx						
110.	Removed														
111.	New Johnsonville	TN	Morrow	GA	CSXT-CHATT-NS	2816130	\$665	\$1,197	xxx						
112.	Niagara Falls	NY	Belle	WV	CSXT-CLMBO-NS	2812220	\$877	\$1,578	xxx						
113.	Niagara Falls	NY	Edgemoor	DE	CSXT-BUFF-NS	2812815	\$1,419	\$2,554	xxx						
114.	Niagara Falls	NY	Edgemoor	DE	CSXT-BUFF-NS	2812220	\$1,446	\$2,603	xxx						
115.	Pascagoula	MS	Fort Mill	SC	CSXT-ATLA-NS	2815112	\$1,292	\$2,326	xxx						
116.	Starke	FL	Huntsville	AL	CSXT-DCTUR-NS	1441325	\$284	\$511	xxx						
117.	Starke	FL	Huntsville	AL	CSXT-DCTUR-NS	1441325	\$436	\$785	xxx						
118.	Removed - STB Decision March 24, 2014 (Market Dominance)														
119.	Wurland	KY	McIntosh	AL	CSXT-BHAM-NS	2819315	\$775	\$1,395	xxx						
120.	Belle	WV	Divine	IL	NS-PINE-CN	2813980	\$1,481	\$2,666	\$7,502	507%	44	\$65,169	\$330,088	-\$19,373,573	\$19,703,661
121.	Belle	WV	Mapleton	IL	NS-LOGPT-TPW	2813934	\$1,315	\$2,366	\$5,843	444%	61	\$80,190	\$356,423	-\$26,858,818	\$27,215,241
122.	Burnside	LA	Gracewood	GA	CN-NEWOR-NS	2819325	\$1,896	\$3,412	\$4,200	222%	30	\$56,870	\$126,000	-\$13,209,255	\$13,335,255
123.	Removed - STB Decision March 24, 2014 (Market Dominance)														
124.	New Johnsonville	TN	McDonough	GA	CSXT-CHATT-NS	2816130	\$1,000	\$1,799	\$2,951	295%	14	\$13,993	\$41,314	-\$6,164,319	\$6,205,633
125.	Charleston	TN	Woodstock	TN	NS-MEMPH-CN	2812410	\$1,037	\$1,867	xxx						
126.	Reybold	DE	Albuquerque	NM	NS-STRTR-BNSF	2819315	\$2,352	\$4,234	xxx						
127.	Reybold	DE	Baltimore	MD	NS-BALBV-CSXT	2819315	\$380	\$684	xxx						
128.	Reybold	DE	Blair	NE	NS-CHGO-UP	2819315	\$2,182	\$3,927	xxx						
129.	Reybold	DE	Brewton	AL	NS-BHAM-CSXT	2819315	\$2,465	\$4,437	xxx						
130.	Reybold	DE	Castle Hayne	NC	NS-CHLTE-CSXT	2819315	\$1,707	\$3,072	xxx						
131.	Reybold	DE	Clifton	AZ	NS-KCITY-UP	2819315	\$3,143	\$5,658	xxx						
132.	Reybold	DE	Corson	SD	NS-CHGO-BNSF	2819315	\$2,182	\$3,927	xxx						
133.	Removed														
134.	Reybold	DE	Ferguson	MS	NS-MEMPHIS-CN	2819315	\$2,851	\$5,131	xxx						
135.	Reybold	DE	Hastings	NE	NS-CHGO-BNSF	2819315	\$2,182	\$3,927	xxx						
136.	Reybold	DE	Indianapolis	IN	NS-CINTI-CSXT	2819315	\$1,962	\$3,531	xxx						
137.	Reybold	DE	Omaha	NE	NS-CHGO-UP	2819315	\$2,182	\$3,927	xxx						
138.	Reybold	DE	Orange	TX	NS-ESTL-BNSF	2819315	\$2,607	\$4,693	xxx						
139.	Reybold	DE	Phoenix	AZ	NS-STRTR-BNSF	2819315	\$2,352	\$4,234	xxx						
140.	Reybold	DE	Sioux City	IA	NS-CHGO-BNSF	2819315	\$2,182	\$3,927	xxx						
141.	Reybold	DE	Toledo	OH	NS-TOLED-CSXT	2819315	\$1,634	\$2,941	xxx						
142.	Reybold	DE	Washington	WV	NS-HAGTN-CSXT	2819315	\$649	\$1,168	xxx						
143.	Total									3,212	\$3,213,207	\$11,820,512	-51,414,270,853	\$1,426,091,365	
144.	Rate to Variable Cost Ratio											368%	11/	44,382%	12/
145.	Minimum Rate to Variable Cost Ratio									182%					
146.	Maximum Rate to Variable Cost Ratio									546%					

1/ STB Decision workpapers "STB Revised Variable Cost Calculation.xlsx" 1Q2010 variable costs.
2/ Column (5) x 1.8
3/ Tariff Rate from Rebuttal Exhibit II-A-16
4/ Column (7) + Column (5)
5/ Issue Movement carloads from Rebuttal workpaper "DuPont Issue Lead Unit Waybills_2009 & 2010 Data for T&O Final.xlsx" for lanes with effective tariff rates.
6/ Column (5) x Column (9)
7/ Column (7) x Column (9)
8/ Line 143 Column (12) + Line 143 Column (9) x Column (9)
9/ Column (11) - Column (12)
10/ Revenue shortfall for 2010 from, "D42125 Exhibit III-H-1 STB No3 Corrected STB.xlsm" netting level, in the STB's 10/3/14 decision.
11/ Line 143 Column (11) + Line 143 Column (10)
12/ Line 143 Column (13) + Line 143 Column (10)

Variable Cost, Jurisdictional Threshold, Tariff Rate and
Adjusted Issue Revenue to Cover Shortfall for DuPont Movements - 2011

Origin		Destination		Railroad(s)	Commodity	1Q2011				2010 Issue Movements 5/	1Q2011 Issue	1Q2011 Issue	2011 Shortfall 8/	2011 Adjusted Issue Revenue To Cover	
City (1)	ST	City (2)	ST			Phase III Cost 1/ (5)	Jurisdictional Threshold 2/ (6)	Tariff Rate 3/ (7)	Rate to Variable Cost Ratios 4/ (8)		Issue Costs 6/ (10)	Issue Revenue 7/ (11)		Shortfall 9/ (13)	
Exhibit A - Local Moves															
1.	<u>Removed</u>														
2.	Bayway	NJ	Waynesville	NC	NS	2819315	\$2,538	\$4,568	\$12,855	507%	3	\$7,613	\$38,565	-\$946,698	\$985,263
3.	Belle	WV	Danville	IL	NS	2813980	\$1,857	\$3,342	\$11,836	637%	30	\$55,703	\$355,080	-\$9,466,980	\$9,822,060
4.	<u>Removed</u>														
5.	<u>Removed</u>														
6.	<u>Removed</u>														
7.	<u>Removed</u>														
8.	<u>Removed</u>														
9.	Belle	WV	Wyandotte	MI	NS	2813934	\$1,756	\$3,160	\$8,814	502%	0	\$0	\$0	\$0	\$0
10.	Charleston	TN	Edgemoor	DE	NS	2812815	\$2,513	\$4,523	\$18,562	739%	14	\$35,175	\$259,868	-\$4,417,924	\$4,677,792
11.	Edgemoor	DE	Chicago	IL	NS	2816130	\$2,515	\$4,527	\$9,844	391%	24	\$60,361	\$236,256	-\$7,573,584	\$7,809,840
12.	Edgemoor	DE	Chillicothe	OH	NS	2816130	\$2,449	\$4,409	\$6,510	266%	7	\$17,144	\$45,570	-\$2,208,962	\$2,254,532
13.	Edgemoor	DE	Mahrt	AL	NS	2816130	\$3,236	\$5,825	\$12,376	382%	95	\$307,434	\$1,175,720	-\$29,978,771	\$31,154,491
14.	Edgemoor	DE	Riverwood Intl	GA	NS	2816130	\$2,936	\$5,284	\$6,270	214%	28	\$82,203	\$175,560	-\$8,835,848	\$9,011,408
15.	Edgemoor	DE	Wabash	IN	NS	2816130	\$2,575	\$4,634	\$6,627	257%	5	\$12,873	\$33,135	-\$1,577,830	\$1,610,965
16.	Lemoyne	AL	Giant	SC	NS	4810560	\$2,651	\$4,773	\$5,136	194%	2	\$5,303	\$10,272	-\$631,132	\$641,404
17.	Loudon	TN	Braithwaite	LA	NS	2818512	\$2,204	\$3,967	\$4,125	187%	0	\$0	\$0	\$0	\$0
18.	Louisville	KY	Decatur	IL	NS	2819450	\$1,381	\$2,485	\$4,596	333%	73	\$100,800	\$335,508	-\$23,036,319	\$23,371,827
19.	<u>Removed - STB Decision March 24, 2014 (Market Dominance)</u>														
20.	<u>Removed</u>														
21.	<u>Removed</u>														
22.	McIntosh	AL	Lemoyne	AL	NS	2812220	\$547	\$985	\$1,605	293%	16	\$8,752	\$25,680	-\$5,049,056	\$5,074,736
23.	Reybold	DE	Detroit	MI	NS	2819315	\$2,065	\$3,717	xxx						
24.	Reybold	DE	Fort Mill	SC	NS	2819315	\$2,070	\$3,726	xxx						
25.	Reybold	DE	Morrisville	PA	NS	2819315	\$643	\$1,158	xxx						
Exhibit B - Joint Moves															
1.	Belle	WV	Anaheim	CA	NS-CHGO-UP	2813980	\$1,735	\$3,123	\$12,100	697%	1	\$1,735	\$12,100	-\$315,566	\$327,666
2.	Belle	WV	Bayport	TX	NS-ESTL-UP	2818620	\$2,307	\$4,153	\$11,812	512%	18	\$41,527	\$212,616	-\$5,680,188	\$5,892,804
3.	<u>Removed</u>														
4.	Belle	WV	Brownsville	TX	NS-ESTL-UP	2818221	\$2,306	\$4,150	\$11,812	512%	0	\$0	\$0	\$0	\$0
5.	Belle	WV	Burley	ID	NS-CHGO-UP	2813934	\$1,735	\$3,123	\$12,100	697%	7	\$12,146	\$84,700	-\$2,208,962	\$2,293,662
6.	Belle	WV	Cadet	MO	NS-KCITY-UP	2813934	\$2,939	\$5,291	\$19,539	665%	0	\$0	\$0	\$0	\$0
7.	<u>Removed</u>														
8.	Belle	WV	Channelview	TX	NS-ESTL-UP	2818130	\$1,996	\$3,593	\$11,812	592%	21	\$41,920	\$248,052	-\$6,626,886	\$6,874,938
9.	Belle	WV	City of Commerce	CA	NS-STRTR-BNSF	2818221	\$2,010	\$3,619	\$10,242	509%	8	\$16,084	\$81,936	-\$2,524,528	\$2,606,464
10.	Belle	WV	Conroe	TX	NS-ESTL-BNSF	2813934	\$2,151	\$3,871	\$14,136	657%	89	\$191,411	\$1,258,104	-\$28,085,375	\$29,343,479
11.	Belle	WV	Corsicana	TX	NS-ESTL-UP	2813934	\$2,042	\$3,676	\$14,136	692%	13	\$26,551	\$183,768	-\$4,102,358	\$4,286,126
12.	<u>Removed</u>														
13.	Belle	WV	East Billings	MT	NS-CHGO-BNSF	2818130	\$1,712	\$3,082	\$8,533	498%	9	\$15,412	\$76,797	-\$2,840,094	\$2,916,891
14.	Belle	WV	Ethyl	AR	NS-ESTL-UP-MCNEI-LNW	2813934	\$2,059	\$3,707	\$14,136	686%	30	\$61,780	\$424,080	-\$9,466,980	\$9,891,060
15.	Belle	WV	Finley	WA	NS-CHGO-BNSF	2813934	\$1,736	\$3,125	\$12,100	697%	17	\$29,513	\$205,700	-\$5,364,622	\$5,570,322
16.	<u>Removed</u>														
17.	Belle	WV	Freeport	TX	NS-ESTL-UP	2818130	\$1,898	\$3,416	\$11,812	622%	12	\$22,774	\$141,744	-\$3,786,792	\$3,928,536
18.	Belle	WV	Garyville	LA	NS-NEWOR-CN	2813934	\$3,359	\$6,045	\$22,732	677%	13	\$43,662	\$295,516	-\$4,102,358	\$4,397,874
19.	Belle	WV	Geismar	LA	NS-NEWOR-CN	2813934	\$2,702	\$4,864	\$22,732	841%	0	\$0	\$0	\$0	\$0
20.	Belle	WV	Janesville	WI	NS-CHGO-UP	2818131	\$1,688	\$3,038	\$12,100	717%	10	\$16,878	\$121,000	-\$3,155,660	\$3,276,660
21.	Belle	WV	Laredo	TX	NS-ESTL-UP	2818221	\$2,306	\$4,150	\$11,812	512%	0	\$0	\$0	\$0	\$0
22.	Belle	WV	Laredo	TX	NS-ESTL-UP	2818131	\$2,196	\$3,953	\$14,136	644%	0	\$0	\$0	\$0	\$0
23.	Belle	WV	Lorenzo	IL	NS-CHGO-BNSF	2813980	\$1,709	\$3,077	\$12,100	708%	9	\$15,383	\$108,900	-\$2,840,094	\$2,948,994
24.	Belle	WV	Los Angeles	CA	NS-STRTR-BNSF	2813934	\$1,934	\$3,481	\$13,450	695%	32	\$61,891	\$430,400	-\$10,098,112	\$10,528,512
25.	Belle	WV	Los Angeles	CA	NS-CHGO-UP	2818130	\$1,723	\$3,101	\$8,533	495%	24	\$41,349	\$204,792	-\$7,573,584	\$7,778,376
26.	<u>Removed</u>														
27.	Belle	WV	Millsdale	IL	NS-CHGO-CN	2818131	\$1,685	\$3,033	\$12,100	718%	32	\$53,928	\$387,200	-\$10,098,112	\$10,485,312
28.	<u>Removed</u>														
29.	Belle	WV	Saint Paul	MN	NS-CHGO-BNSF	2818221	\$1,891	\$3,403	\$8,533	451%	43	\$81,298	\$366,919	-\$13,569,339	\$13,936,258
30.	Belle	WV	San Dimas	CA	NS-CHGO-UP	2813980	\$1,856	\$3,340	\$12,100	652%	2	\$3,712	\$24,200	-\$631,132	\$655,332
31.	<u>Removed</u>														
32.	Belle	WV	St Gabriel	LA	NS-NEWOR-CN	2813934	\$3,209	\$5,776	\$22,732	708%	33	\$105,897	\$750,156	-\$10,413,678	\$11,163,834
33.	Belle	WV	St Joseph	MO	NS-KCITY-UP	2818130	\$2,681	\$4,826	\$13,535	505%	4	\$10,725	\$54,140	-\$1,262,264	\$1,316,404
34.	<u>Removed</u>														
35.	Belle	WV	Strang	TX	NS-ESTL-UP	2818221	\$2,242	\$4,036	\$11,812	527%	11	\$24,661	\$129,932	-\$3,471,226	\$3,601,158

**Variable Cost, Jurisdictional Threshold, Tariff Rate and
Adjusted Issue Revenue to Cover Shortfall for DuPont Movements - 2011**

Origin		Destination		Railroad(s)	Commodity	1Q2011					2010 Issue Movements 5/	2011 Issue Revenue 7/	2011 Shortfall 8/	2011 Adjusted Issue Revenue To Cover Shortfall 9/		
City (1)	ST	City (2)	ST			Cost 1/	Jurisdictional Threshold 2/	Tariff Rate 3/	Rate to Variable Cost Ratios 4/	Issue Costs 6/					Issue Revenue 7/	
99.	Loudon	TN	Graingers	NC	NS-CHATT-CSXT	2818512	\$626	\$1,126	\$1,490	238%	20	\$12,513	\$29,800	-\$6,311,320	\$6,341,120	
100.	Loudon	TN	Graingers	NC	NS-CHATT-CSXT	2818512	\$650	\$1,171	\$1,684	259%	81	\$52,677	\$136,404	-\$25,560,847	\$25,697,251	
101.	Miami Fort	OH	Dallas	GA	CSXT-CINTI-NS	2819315	\$1,645	\$2,961	\$3,825	232%	0	\$0	\$0	\$0	\$0	
102.	Miami Fort	OH	Gracewood	GA	CSXT-CHATT-NS	2819325	\$1,509	\$2,716	\$6,224	412%	12	\$18,108	\$74,685	-\$3,786,792	\$3,861,477	
103.	Miami Fort	OH	McIntosh	AL	CSXT-CHATT-NS	2819340	\$1,061	\$1,910	\$6,210	585%	11	\$11,671	\$68,305	-\$3,471,226	\$3,539,532	
104.	Removed															
105.	Removed															
106.	Miami Fort	OH	Pepper	VA	CSXT-CINTI-NS	2819345	\$2,199	\$3,959	\$3,411	155%	21	\$46,186	\$71,624	-\$6,626,886	\$6,698,510	
107.	Natrium	WV	Belle	WV	CSXT-CINTI-NS	2812220	\$1,647	\$2,965	\$5,505	334%	5	\$8,237	\$27,525	-\$1,577,830	\$1,605,355	
108.	Natrium	WV	Danville	VA	CSXT-LYNCH-NS	2812220	\$415	\$748	\$2,553	615%	84	\$34,890	\$214,473	-\$26,507,545	\$26,722,018	
109.	New Johnsonville	TN	Chapman	PA	CSXT-CINTI-NS	2816130	\$2,290	\$4,122	\$7,246	316%	5	\$11,451	\$36,228	-\$1,577,830	\$1,614,058	
110.	Removed															
111.	New Johnsonville	TN	Morrow	GA	CSXT-CHATT-NS	2816130	\$732	\$1,318	\$4,560	623%	13	\$9,515	\$59,274	-\$4,102,358	\$4,161,632	
112.	Niagara Falls	NY	Belle	WV	CSXT-CLMBO-NS	2812220	\$962	\$1,731	\$3,051	317%	8	\$7,695	\$24,406	-\$2,524,528	\$2,548,935	
113.	Niagara Falls	NY	Edgemoor	DE	CSXT-BUFF-NS	2812815	\$1,556	\$2,801	\$8,033	516%	604	\$940,013	\$4,852,006	-\$190,601,873	\$195,453,879	
114.	Niagara Falls	NY	Edgemoor	DE	CSXT-BUFF-NS	2812220	\$1,586	\$2,855	\$3,922	247%	74	\$117,371	\$290,202	-\$23,351,885	\$23,642,087	
115.	Pascagoula	MS	Fort Mill	SC	CSXT-ATLA-NS	2815112	\$1,419	\$2,555	\$5,066	357%	28	\$39,739	\$141,851	-\$8,835,848	\$8,977,700	
116.	Starke	FL	Huntsville	AL	CSXT-DCTUR-NS	1441325	\$313	\$563	\$1,025	328%	2	\$626	\$2,050	-\$631,132	\$633,182	
117.	Starke	FL	Huntsville	AL	CSXT-DCTUR-NS	1441325	\$498	\$897	\$1,128	226%	19	\$9,469	\$21,432	-\$5,995,754	\$6,017,186	
118.	Removed - STB Decision March 24, 2014 (Market Dominance)															
119.	Wurland	KY	McIntosh	AL	CSXT-BHAM-NS	2819315	\$853	\$1,535	\$2,120	249%	0	\$0	\$0	\$0	\$0	
120.	Belle	WV	Divine	IL	NS-PINE-CN	2813980	\$1,629	\$2,932	\$8,265	507%	44	\$71,679	\$363,665	-\$13,884,905	\$14,248,570	
121.	Belle	WV	Mapleton	IL	NS-LOGPT-TPW	2813934	\$1,445	\$2,602	\$7,845	543%	61	\$88,167	\$478,545	-\$19,249,527	\$19,728,072	
122.	Burnside	LA	Gracewood	GA	CN-NEWOR-NS	2819325	\$2,081	\$3,745	\$10,777	518%	30	\$62,422	\$323,301	-\$9,466,980	\$9,790,281	
123.	Removed - STB Decision March 24, 2014 (Market Dominance)															
124.	New Johnsonville	TN	McDonough	GA	CSXT-CHATT-NS	2816130	\$1,099	\$1,978	\$4,500	410%	14	\$15,384	\$63,000	-\$4,417,924	\$4,480,924	
125.	Charleston	TN	Woodstock	TN	NS-MEMPH-CN	2812410	\$1,138	\$2,048	\$9,265	814%	0	\$0	\$0	\$0	\$0	
126.	Reybold	DE	Albuquerque	NM	NS-STRTR-BNSF	2819315	\$2,582	\$4,648	xxx	xxx	xxx	xxx	xxx	xxx	xxx	
127.	Reybold	DE	Baltimore	MD	NS-BALBV-CSXT	2819315	\$420	\$755	xxx	xxx	xxx	xxx	xxx	xxx	xxx	
128.	Reybold	DE	Blair	NE	NS-CHGO-UP	2819315	\$2,395	\$4,311	xxx	xxx	xxx	xxx	xxx	xxx	xxx	
129.	Reybold	DE	Brewton	AL	NS-BHAM-CSXT	2819315	\$2,705	\$4,870	xxx	xxx	xxx	xxx	xxx	xxx	xxx	
130.	Reybold	DE	Castle Hayne	NC	NS-CHLTE-CSXT	2819315	\$1,874	\$3,374	xxx	xxx	xxx	xxx	xxx	xxx	xxx	
131.	Reybold	DE	Clifton	AZ	NS-KCITY-UP	2819315	\$3,449	\$6,209	xxx	xxx	xxx	xxx	xxx	xxx	xxx	
132.	Reybold	DE	Corson	SD	NS-CHGO-BNSF	2819315	\$2,395	\$4,311	xxx	xxx	xxx	xxx	xxx	xxx	xxx	
133.	Removed															
134.	Reybold	DE	Ferguson	MS	NS-MEMPHIS-CN	2819315	\$3,129	\$5,632	xxx	xxx	xxx	xxx	xxx	xxx	xxx	
135.	Reybold	DE	Hastings	NE	NS-CHGO-BNSF	2819315	\$2,395	\$4,311	xxx	xxx	xxx	xxx	xxx	xxx	xxx	
136.	Reybold	DE	Indianapolis	IN	NS-CINTI-CSXT	2819315	\$2,154	\$3,877	xxx	xxx	xxx	xxx	xxx	xxx	xxx	
137.	Reybold	DE	Omaha	NE	NS-CHGO-UP	2819315	\$2,395	\$4,311	xxx	xxx	xxx	xxx	xxx	xxx	xxx	
138.	Reybold	DE	Orange	TX	NS-ESTL-BNSF	2819315	\$2,862	\$5,151	xxx	xxx	xxx	xxx	xxx	xxx	xxx	
139.	Reybold	DE	Phoenix	AZ	NS-STRTR-BNSF	2819315	\$2,582	\$4,648	xxx	xxx	xxx	xxx	xxx	xxx	xxx	
140.	Reybold	DE	Sioux City	IA	NS-CHGO-BNSF	2819315	\$2,395	\$4,311	xxx	xxx	xxx	xxx	xxx	xxx	xxx	
141.	Reybold	DE	Toledo	OH	NS-TOLED-CSXT	2819315	\$1,795	\$3,230	xxx	xxx	xxx	xxx	xxx	xxx	xxx	
142.	Reybold	DE	Washington	WV	NS-HAGTN-CSXT	2819315	\$715	\$1,286	xxx	xxx	xxx	xxx	xxx	xxx	xxx	
143.	Total										4,738	6,091,875	\$30,073,739	-\$1,495,151,777 10/	\$1,525,225,516	
144.	Rate to Variable Cost Ratio												494%	11/	25,037%	12/
145.	Minimum Rate to Variable Cost Ratio															
146.	Maximum Rate to Variable Cost Ratio															

1/ STB Decision workpapers "STB Revised Variable Cost Calculation.xlsx" 1Q2011 variable costs.
2/ Column (5) x 1.8
3/ Tariff Rate from Rebuttal Exhibit II-A-16
4/ Column (7) ÷ Column (5)
5/ Issue Movement carloads from Rebuttal workpaper "DuPont Issue Lead Unit Waybills_2009 & 2010 Data for T&O Final.xlsx" for lanes with effective tariff rates.
6/ Column (5) x Column (9)
7/ Column (7) x Column (9)
8/ Line 143 Column (12) ÷ Line 143 Column (9) x Column (9)
9/ Column (11) - Column (12)
10/ Revenue shortfall for 2011 from, "D42125 Exhibit III-H-1 STB No3 Corrected STB.xlsm" netting level, in the STB's 10/3/14 decision.
11/ Line 143 Column (11) ÷ Line 143 Column (10)
12/ Line 143 Column (13) ÷ Line 143 Column (10)

**Variable Cost, Jurisdictional Threshold, Tariff Rate and
Adjusted Issue Revenue to Cover Shortfall for DuPont Movements - 2012-2017**

Origin		Destination		Railroad(s)	Commodity	1Q2012				2010 Issue Movements 5/	1Q12 Issue Costs 6/	1Q12 Issue Revenue 7/	2012		2013		
City (1)	ST	City (2)	ST			Phase III Cost 1/	Jurisdictional Threshold 2/	Tariff Rate 3/	Rate to Variable Cost Ratios 4/				Adjusted Issue Revenue To Cover Shortfall 8/	Adjusted Issue Revenue To Cover Shortfall 9/			
Exhibit A - Local Moves																	
1.	Removed																
2.	Bayway	NJ	Waynesville	NC	NS	2819315	\$2,628	\$4,731	\$12,855	489%	3	\$7,885	\$38,565	-\$809,639	\$848,204	-\$764,631	\$803,196
3.	Belle	WV	Danville	IL	NS	2813980	\$1,923	\$3,461	\$11,836	616%	30	\$57,689	\$355,080	-\$8,096,391	\$8,451,471	-\$7,646,313	\$8,001,393
4.	Removed																
5.	Removed																
6.	Removed																
7.	Removed																
8.	Removed																
9.	Belle	WV	Wyandotte	MI	NS	2813934	\$1,818	\$3,273	\$8,814	485%	0	\$0	\$0	\$0	\$0	\$0	\$0
10.	Charleston	TN	Edgemoor	DE	NS	2812815	\$2,602	\$4,684	\$18,562	713%	14	\$36,429	\$259,868	-\$3,778,316	\$4,038,184	-\$3,568,279	\$3,828,147
11.	Edgemoor	DE	Chicago	IL	NS	2816130	\$2,605	\$4,688	\$9,844	378%	24	\$62,513	\$236,256	-\$6,477,113	\$6,713,369	-\$6,117,051	\$6,353,307
12.	Edgemoor	DE	Chillicothe	OH	NS	2816130	\$2,537	\$4,566	\$6,510	257%	7	\$17,756	\$45,570	-\$1,889,158	\$1,934,728	-\$1,784,140	\$1,829,710
13.	Edgemoor	DE	Mahrt	AL	NS	2816130	\$3,352	\$6,033	\$12,376	369%	95	\$318,394	\$1,175,720	-\$25,638,571	\$26,814,291	-\$24,213,325	\$25,389,045
14.	Edgemoor	DE	Riverview Intl	GA	NS	2816130	\$3,040	\$5,473	\$6,270	206%	28	\$85,134	\$175,560	-\$7,556,631	\$7,732,191	-\$7,136,559	\$7,312,119
15.	Edgemoor	DE	Wabash	IN	NS	2816130	\$2,666	\$4,800	\$6,627	249%	5	\$13,332	\$33,135	-\$1,349,398	\$1,382,533	-\$1,274,386	\$1,307,521
16.	Lemoynne	AL	Giant	SC	NS	4810560	\$2,746	\$4,943	\$5,136	187%	2	\$5,492	\$10,272	-\$559,759	\$550,031	-\$509,754	\$520,026
17.	Loudon	TN	Braithwaite	LA	NS	2818512	\$2,282	\$4,108	\$4,125	181%	0	\$0	\$0	\$0	\$0	\$0	\$0
18.	Louisville	KY	Decatur	IL	NS	2819450	\$1,430	\$2,574	\$4,596	321%	73	\$104,393	\$335,508	-\$19,701,218	\$20,036,726	-\$18,606,029	\$18,941,537
19.	Removed - STB Decision March 24, 2014 (Market Dominance)																
20.	Removed																
21.	Removed																
22.	McIntosh	AL	Lemoynne	AL	NS	2812220	\$566	\$1,020	\$1,605	283%	16	\$9,064	\$25,680	-\$4,318,075	\$4,343,755	-\$4,078,034	\$4,103,714
23.	Reybold	DE	Detroit	MI	NS	2819315	\$2,138	\$3,849	\$7,812	365%	0	\$0	\$0	\$0	\$0	\$0	\$0
24.	Reybold	DE	Fort Mill	SC	NS	2819315	\$2,144	\$3,859	\$6,108	285%	0	\$0	\$0	\$0	\$0	\$0	\$0
25.	Reybold	DE	Morrisville	PA	NS	2819315	\$666	\$1,199	\$3,614	542%	0	\$0	\$0	\$0	\$0	\$0	\$0
Exhibit B - Joint Moves																	
1.	Belle	WV	Anaheim	CA	NS-CHGO-UP	2813980	\$1,797	\$3,235	\$12,100	673%	1	\$1,797	\$12,100	-\$269,880	\$281,980	-\$254,877	\$266,977
2.	Belle	WV	Bayport	TX	NS-ESTL-UP	2818620	\$2,389	\$4,301	\$11,812	494%	18	\$43,008	\$212,616	-\$4,857,834	\$5,070,450	-\$4,587,788	\$4,800,404
3.	Removed																
4.	Belle	WV	Brownsville	TX	NS-ESTL-UP	2818221	\$2,388	\$4,298	\$11,812	495%	0	\$0	\$0	\$0	\$0	\$0	\$0
5.	Belle	WV	Burley	ID	NS-CHGO-UP	2813934	\$1,797	\$3,235	\$12,100	673%	7	\$12,579	\$84,700	-\$1,889,158	\$1,973,858	-\$1,784,140	\$1,868,840
6.	Belle	WV	Cadet	MO	NS-KCITY-UP	2813934	\$3,044	\$5,480	\$19,539	642%	0	\$0	\$0	\$0	\$0	\$0	\$0
7.	Removed																
8.	Belle	WV	Channelview	TX	NS-ESTL-UP	2818130	\$2,067	\$3,721	\$11,812	571%	21	\$43,414	\$248,052	-\$5,667,474	\$5,915,526	-\$5,352,419	\$5,600,471
9.	Belle	WV	City of Commerce	CA	NS-STRTR-BNSF	2818221	\$2,082	\$3,748	\$10,242	492%	8	\$16,657	\$81,936	-\$2,159,038	\$2,240,974	-\$2,039,017	\$2,120,953
10.	Belle	WV	Conroc	TX	NS-ESTL-BNSF	2813934	\$2,227	\$4,009	\$14,136	635%	89	\$198,235	\$1,258,104	-\$24,019,293	\$25,277,397	-\$22,684,062	\$23,942,166
11.	Belle	WV	Corsicana	TX	NS-ESTL-UP	2813934	\$2,115	\$3,807	\$14,136	668%	13	\$27,497	\$183,768	-\$3,508,436	\$3,692,204	-\$3,313,402	\$3,497,170
12.	Removed																
13.	Belle	WV	East Billings	MT	NS-CHGO-BNSF	2818130	\$1,773	\$3,192	\$8,533	481%	9	\$15,961	\$76,797	-\$2,428,917	\$2,505,714	-\$2,293,894	\$2,370,691
14.	Belle	WV	Ethyl	AR	NS-ESTL-UP-MCNEI-LNW	2813934	\$2,133	\$3,839	\$14,136	663%	30	\$63,982	\$424,080	-\$8,096,391	\$8,520,471	-\$7,646,313	\$8,070,393
15.	Belle	WV	Finley	WA	NS-CHGO-BNSF	2813934	\$1,798	\$3,236	\$12,100	673%	17	\$30,565	\$205,700	-\$4,587,955	\$4,793,655	-\$4,332,911	\$4,538,611
16.	Removed																
17.	Belle	WV	Freeport	TX	NS-ESTL-UP	2818130	\$1,965	\$3,538	\$11,812	601%	12	\$23,586	\$141,744	-\$3,238,556	\$3,380,300	-\$3,058,525	\$3,200,269
18.	Belle	WV	Garyville	LA	NS-NEWOR-CN	2813934	\$3,478	\$6,261	\$22,732	654%	13	\$45,218	\$295,516	-\$3,508,436	\$3,803,952	-\$3,313,402	\$3,608,918
19.	Belle	WV	Geismar	LA	NS-NEWOR-CN	2813934	\$2,799	\$5,037	\$22,732	812%	0	\$0	\$0	\$0	\$0	\$0	\$0
20.	Belle	WV	Janesville	WI	NS-CHGO-UP	2818131	\$1,748	\$3,146	\$12,100	692%	10	\$17,479	\$121,000	-\$2,698,797	\$2,819,797	-\$2,548,771	\$2,669,771
21.	Belle	WV	Laredo	TX	NS-ESTL-UP	2818221	\$2,388	\$4,298	\$11,812	495%	0	\$0	\$0	\$0	\$0	\$0	\$0
22.	Belle	WV	Laredo	TX	NS-CHGO-BNSF	2818131	\$2,274	\$4,094	\$14,136	622%	0	\$0	\$0	\$0	\$0	\$0	\$0
23.	Belle	WV	Lorenzo	IL	NS-CHGO-BNSF	2813980	\$1,770	\$3,186	\$12,100	684%	9	\$15,931	\$108,900	-\$2,428,917	\$2,537,817	-\$2,293,894	\$2,402,794
24.	Belle	WV	Los Angeles	CA	NS-STRTR-BNSF	2813934	\$2,003	\$3,605	\$13,450	671%	32	\$64,097	\$430,400	-\$8,636,150	\$9,066,550	-\$8,156,067	\$8,586,467
25.	Belle	WV	Los Angeles	CA	NS-CHGO-UP	2818130	\$1,784	\$3,212	\$8,533	478%	24	\$42,823	\$204,792	-\$6,477,113	\$6,681,905	-\$6,117,051	\$6,321,843
26.	Removed																
27.	Belle	WV	Millsdale	IL	NS-CHGO-CN	2818131	\$1,745	\$3,142	\$12,100	693%	32	\$55,850	\$387,200	-\$8,636,150	\$9,023,350	-\$8,156,067	\$8,543,267
28.	Removed																
29.	Belle	WV	Saint Paul	MN	NS-CHGO-BNSF	2818221	\$1,958	\$3,524	\$8,533	436%	43	\$84,196	\$366,919	-\$11,604,827	\$11,971,746	-\$10,959,716	\$11,326,635
30.	Belle	WV	San Dimas	CA	NS-CHGO-UP	2813980	\$1,922	\$3,459	\$12,100	630%	2	\$3,844	\$24,200	-\$559,759	\$563,959	-\$509,754	\$533,954
31.	Removed																
32.	Belle	WV	St Gabriel	LA	NS-NEWOR-CN	2813934	\$3,323	\$5,982	\$22,732	684%	33	\$109,672	\$750,156	-\$8,906,030	\$9,656,186	-\$8,410,944	\$9,161,100
33.	Belle	WV	St Joseph	MO	NS-KCITY-UP	2818130	\$2,777	\$4,998	\$13,535	487%	4	\$11,107	\$54,140	-\$1,079,519	\$1,133,659	-\$1,019,508	\$1,073,648
34.	Removed																
35.	Belle	WV	Strang	TX	NS-ESTL-UP	2818221	\$2,322	\$4,179	\$11,812	509%	11	\$25,541	\$129,932	-\$2,968,677	\$3,098,609	-\$2,803,648	\$2,933,580
36.	Belle	WV	Strang	TX	NS-ESTL-BNSF	2813934	\$1,905	\$3,430	\$14,136	742%	3	\$5,716	\$42,408	-\$809,639	\$852,047	-\$764,631	\$807,039
37.	Belle	WV	Strang	TX	NS-ESTL-UP	2819183	\$2,036	\$3,665	\$5,139	252%	33	\$67,194	\$169,587	-\$8,906,030	\$9,075,617	-\$8,410,944	\$8,580,531
38.	Removed																
39.	Belle	WV	Texas City	TX	NS-ESTL-UP	2813934	\$2,133	\$3,839	\$14,136	663%	3	\$6,398	\$42,408	-\$809,639	\$852,047	-\$764,631	\$807,039
40.	Belle	WV	Verona	MO	NS-ESTL-BNSF	2813934	\$2,210	\$3,979	\$14,136	640%	16	\$35,366	\$226,176	-\$4,318,075	\$4,544,251	-\$4,078,034	\$4,304,210
41.	Belle	WV	West Memphis	AR	NS-KCITY-UP	2813934	\$2,785	\$5,013	\$19,539	702%	9	\$25,063	\$175,851	-\$2,428,917	\$2,604,768	-\$2,293,894	\$2,469,745
42.	Belle	WV	Winford Spur	LA	NS-MERID-KCS	2813980	\$2,949	\$5,309	\$19,888	674%	5	\$14,747	\$99,440	-\$1,349,398	\$1,448,838	-\$1,274,386	\$1,373,826
43.	Belle	WV	Wichita	KS	NS-ESTL-BNSF	2813934	\$2,258	\$4,064	\$14,136	626%	6	\$13,546	\$84,816	-\$1,619,278	\$1,704,094	-\$1,529,263	\$1,614,079
44.	Bloomington	TX	Greenville	SC	UP-NEWOR-NS	2821142	\$1,708	\$3,074	\$6,113	358%	0	\$0	\$0	\$0	\$0	\$0	\$0

**Variable Cost, Jurisdictional Threshold, Tariff Rate and
Adjusted Issue Revenue to Cover Shortfall for DuPont Movements - 2012-2017**

Origin	Destination		Railroad(s)	Commodity	1Q2012				2010 Issue	1Q12 Issue	1Q12 Issue	2012		2013			
					Phase III	Jurisdictional	Tariff	Rate to Variable Cost				Adjusted Issue Revenue To Cover	Adjusted Issue Revenue To Cover				
					Cost 1/	Threshold 2/	Rate 3/	Ratios 4/				Shortfall 8/	Shortfall 9/	Shortfall 8/	Shortfall 9/		
City (1)	ST (2)	City (2)	ST (2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	Costs 6/	Revenue 7/	(12)	(13)	(14)	(15)	
117. Starke	FL	Huntsville	AL	CSXT-DCTUR-NS	1441325	\$516	\$929	\$1,910	370%	19	\$9,807	\$36,290	-\$5,127,714	\$5,164,004	-\$4,842,665	\$4,878,955	
118. Removed - STB Decision March 24, 2014 (Market Dominance)																	
119. Wurtland	KY	McIntosh	AL	CSXT-BHAM-NS	2819315	\$883	\$1,589	\$2,633	298%	0	\$0	\$0	\$0	\$0	\$0	\$0	
120. Belle	WV	Divine	IL	NS-PINE-CN	2813980	\$1,687	\$3,037	\$11,542	684%	44	\$74,234	\$507,848	-\$11,874,706	\$12,382,554	-\$11,214,593	\$11,722,441	
121. Belle	WV	Mapleton	IL	NS-LOGPT-TPW	2813934	\$1,497	\$2,694	\$7,845	524%	61	\$91,310	\$478,545	-\$16,462,661	\$16,941,206	-\$15,547,503	\$16,026,048	
122. Burnside	LA	Gracewood	GA	CN-NEWOR-NS	2819325	\$2,155	\$3,879	\$18,406	854%	30	\$64,647	\$552,180	-\$8,096,391	\$8,648,571	-\$7,646,313	\$8,198,493	
123. Removed																	
124. New Johnsonville	TN	McDonough	GA	CSXT-CHATT-NS	2816130	\$1,138	\$2,048	\$4,815	423%	14	\$15,933	\$67,410	-\$3,778,316	\$3,845,726	-\$3,568,279	\$3,635,689	
125. Charleston	TN	Woodstock	TN	NS-MEMPH-CN	2812410	\$1,178	\$2,121	\$9,265	786%	0	\$0	\$0	\$0	\$0	\$0	\$0	
126. Reybold	DE	Albuquerque	NM	NS-STRTR-BNSF	2819315	\$2,674	\$4,814	\$10,844	405%	0	\$0	\$0	\$0	\$0	\$0	\$0	
127. Reybold	DE	Baltimore	MD	NS-BALBV-CSXT	2819315	\$434	\$782	\$3,900	898%	0	\$0	\$0	\$0	\$0	\$0	\$0	
128. Reybold	DE	Blair	NE	NS-CHGO-UP	2819315	\$2,480	\$4,465	\$10,008	403%	0	\$0	\$0	\$0	\$0	\$0	\$0	
129. Reybold	DE	Brewton	AL	NS-BHAM-CSXT	2819315	\$2,802	\$5,043	\$10,476	374%	0	\$0	\$0	\$0	\$0	\$0	\$0	
130. Reybold	DE	Castle Hayne	NC	NS-CHLTE-CSXT	2819315	\$1,941	\$3,494	\$5,844	301%	0	\$0	\$0	\$0	\$0	\$0	\$0	
131. Reybold	DE	Clifton	AZ	NS-KCITY-UP	2819315	\$3,572	\$6,430	\$14,928	418%	0	\$0	\$0	\$0	\$0	\$0	\$0	
132. Reybold	DE	Corson	SD	NS-CHGO-BNSF	2819315	\$2,480	\$4,465	\$10,008	403%	0	\$0	\$0	\$0	\$0	\$0	\$0	
133. Removed																	
134. Reybold	DE	Ferguson	MS	NS-MEMPHIS-CN	2819315	\$3,240	\$5,833	\$12,882	398%	0	\$0	\$0	\$0	\$0	\$0	\$0	
135. Reybold	DE	Hastings	NE	NS-CHGO-BNSF	2819315	\$2,480	\$4,465	\$10,008	403%	0	\$0	\$0	\$0	\$0	\$0	\$0	
136. Reybold	DE	Indianapolis	IN	NS-CINTI-CSXT	2819315	\$2,231	\$4,015	\$8,880	398%	0	\$0	\$0	\$0	\$0	\$0	\$0	
137. Reybold	DE	Omaha	NE	NS-CHGO-UP	2819315	\$2,480	\$4,465	\$10,008	403%	0	\$0	\$0	\$0	\$0	\$0	\$0	
138. Reybold	DE	Orange	TX	NS-ESTL-BNSF	2819315	\$2,964	\$5,335	\$12,192	411%	0	\$0	\$0	\$0	\$0	\$0	\$0	
139. Reybold	DE	Phoenix	AZ	NS-STRTR-BNSF	2819315	\$2,674	\$4,814	\$10,844	405%	0	\$0	\$0	\$0	\$0	\$0	\$0	
140. Reybold	DE	Sioux City	IA	NS-CHGO-BNSF	2819315	\$2,480	\$4,465	\$10,008	403%	0	\$0	\$0	\$0	\$0	\$0	\$0	
141. Reybold	DE	Toledo	OH	NS-TOLED-CSXT	2819315	\$1,859	\$3,346	\$7,200	387%	0	\$0	\$0	\$0	\$0	\$0	\$0	
142. Reybold	DE	Washington	WV	NS-HAGTN-CSXT	2819315	\$740	\$1,332	\$6,444	871%	0	\$0	\$0	\$0	\$0	\$0	\$0	
143. Total										4,738	6,309,051	\$33,375,947	-\$1,278,689,985 10/	\$1,312,065,932	-\$1,207,607,724 10/	\$1,240,983,671	
144. Rate to Variable Cost Ratio												529%	11/	20,797%	12/	19,670%	13/
145. Minimum																	
146. Maximum																	

1/ STB Decision workpapers "STB Revised Variable Cost Calculation.xlsx" 1Q2012 variable costs.
2/ Column (5) x 1.8
3/ Tariff Rate from Rebuttal Exhibit II-A-16
4/ Column (7) + Column (5)
5/ Issue Movement carloads from Rebuttal workpaper "DuPont Issue Lead Unit Waybills_2009 & 2010 Data for T&O Final.xlsx" for lanes with effective tariff rates.
6/ Column (5) x Column (9)
7/ Column (7) x Column (9)
8/ Line 143 Column (12) + Line 143 Column (9) x Column (9)
9/ Column (11) - Column (12)
10/ Revenue shortfall for given year from, "D42125 Exhibit III-H-1 STB No3 Corrected STB.xlsm" netting level, in the STB's 10/3/14 decision.
11/ Line 143 Column (11) + Line 143 Column (10)
12/ Line 143 Column (13) + Line 143 Column (10)
13/ Line 143 Column (15) + Line 143 Column (10)
14/ Line 143 Column (17) + Line 143 Column (10)
15/ Line 143 Column (19) + Line 143 Column (10)
16/ Line 143 Column (21) + Line 143 Column (10)
17/ Line 143 Column (23) + Line 143 Column (10)

**Variable Cost, Jurisdictional Threshold, Tariff Rate and
Adjusted Issue Revenue to Cover Shortfall for DuPont Movements - 2012-2017**

Origin		Destination		Railroad(s)	Commodity	IQ2012				2010 Issue Movements 5/	IQ12 Issue Costs 6/	IQ12 Issue Revenue 7/	2014		2015		
City (1)	ST	City (2)	ST			Phase III Cost 1/	Jurisdictional Threshold 2/	Tariff Rate 3/	Rate to Variable Cost Ratios 4/				Shortfall 8/	Adjusted Issue Revenue To Cover Shortfall 9/	Shortfall 8/	Adjusted Issue Revenue To Cover Shortfall 9/	
Exhibit A - Local Moves																	
1.	Removed																
2.	Bayway	NJ	Waynesville	NC	NS	2819315	\$2,628	\$4,731	\$12,855	489%	3	\$7,885	\$38,565	-\$665,127	\$703,692	-\$601,099	\$639,664
3.	Belle	WV	Danville	IL	NS	2813980	\$1,923	\$3,461	\$11,836	616%	30	\$57,689	\$355,080	-\$6,610,272	\$7,006,352	-\$6,010,992	\$6,366,072
4.	Removed																
5.	Removed																
6.	Removed																
7.	Removed																
8.	Removed																
9.	Belle	WV	Wyandotte	MI	NS	2813934	\$1,818	\$3,273	\$8,814	485%	0	\$0	\$0	\$0	\$0	\$0	\$0
10.	Charleston	TN	Edgemoor	DE	NS	2812815	\$2,602	\$4,684	\$18,562	713%	14	\$36,429	\$259,868	-\$3,103,927	\$3,363,795	-\$2,805,130	\$3,064,998
11.	Edgemoor	DE	Chicago	IL	NS	2816130	\$2,605	\$4,688	\$9,844	378%	24	\$62,513	\$236,256	-\$5,321,018	\$5,557,274	-\$4,808,794	\$5,045,050
12.	Edgemoor	DE	Chillicothe	OH	NS	2816130	\$2,537	\$4,566	\$6,510	257%	7	\$17,576	\$45,570	-\$1,551,964	\$1,597,534	-\$1,402,565	\$1,448,135
13.	Edgemoor	DE	Mahrt	AL	NS	2816130	\$3,352	\$6,033	\$12,376	369%	95	\$318,394	\$1,175,720	-\$21,062,363	\$22,238,083	-\$19,034,808	\$20,210,528
14.	Edgemoor	DE	Riverswood Intl	GA	NS	2816130	\$3,040	\$5,473	\$6,270	206%	28	\$85,134	\$175,560	-\$6,207,854	\$6,383,414	-\$5,610,259	\$5,785,819
15.	Edgemoor	DE	Wabash	IN	NS	2816130	\$2,666	\$4,800	\$6,627	249%	5	\$13,332	\$33,135	-\$1,108,545	\$1,141,680	-\$1,001,832	\$1,034,967
16.	Lemoyme	AL	Giant	SC	NS	4810560	\$2,746	\$4,943	\$5,136	187%	2	\$5,492	\$10,272	-\$443,418	\$453,690	-\$400,733	\$411,005
17.	Loudon	TN	Braithwaite	LA	NS	2818512	\$2,282	\$4,108	\$4,125	181%	0	\$0	\$0	\$0	\$0	\$0	\$0
18.	Louisville	KY	Decatur	IL	NS	2819450	\$1,430	\$2,574	\$4,596	321%	73	\$104,393	\$335,508	-\$16,184,763	\$16,520,271	-\$14,626,747	\$14,962,255
19.	Removed - STB Decision March 24, 2014 (Market Dominance)																
20.	Removed																
21.	Removed																
22.	McIntosh	AL	Lemoyme	AL	NS	2812220	\$566	\$1,020	\$1,605	283%	16	\$9,064	\$25,680	-\$3,547,345	\$3,573,025	-\$3,205,862	\$3,231,542
23.	Reybold	DE	Detroit	MI	NS	2819315	\$2,138	\$3,849	\$7,812	365%	0	\$0	\$0	\$0	\$0	\$0	\$0
24.	Reybold	DE	Fort Mill	SC	NS	2819315	\$2,144	\$3,859	\$6,108	285%	0	\$0	\$0	\$0	\$0	\$0	\$0
25.	Reybold	DE	Morrisville	PA	NS	2819315	\$666	\$1,199	\$3,614	542%	0	\$0	\$0	\$0	\$0	\$0	\$0
Exhibit B - Joint Moves																	
1.	Belle	WV	Anaheim	CA	NS-CHGO-UP	2813980	\$1,797	\$3,235	\$12,100	673%	1	\$1,797	\$12,100	-\$221,709	\$233,809	-\$200,366	\$212,466
2.	Belle	WV	Bayport	TX	NS-ESTL-UP	2818620	\$2,389	\$4,301	\$11,812	494%	18	\$43,008	\$212,616	-\$3,990,763	\$4,203,379	-\$3,606,595	\$3,819,211
3.	Removed																
4.	Belle	WV	Brownsville	TX	NS-ESTL-UP	2818221	\$2,388	\$4,298	\$11,812	495%	0	\$0	\$0	\$0	\$0	\$0	\$0
5.	Belle	WV	Burley	ID	NS-CHGO-UP	2813934	\$1,797	\$3,235	\$12,100	673%	7	\$12,579	\$84,700	-\$1,551,964	\$1,636,664	-\$1,402,565	\$1,487,265
6.	Belle	WV	Cadet	MO	NS-KCITY-UP	2813934	\$3,044	\$5,480	\$19,539	642%	0	\$0	\$0	\$0	\$0	\$0	\$0
7.	Removed																
8.	Belle	WV	Channelview	TX	NS-ESTL-UP	2818130	\$2,067	\$3,721	\$11,812	571%	21	\$43,414	\$248,052	-\$4,655,891	\$4,903,943	-\$4,207,694	\$4,455,746
9.	Belle	WV	City of Commerce	CA	NS-STRTR-BNSF	2818221	\$2,082	\$3,748	\$10,242	492%	8	\$16,657	\$81,936	-\$1,773,673	\$1,855,609	-\$1,602,931	\$1,684,867
10.	Belle	WV	Conroe	TX	NS-ESTL-BNSF	2813934	\$2,227	\$4,009	\$14,136	635%	89	\$198,235	\$1,258,104	-\$19,732,108	\$20,990,212	-\$17,832,610	\$19,090,714
11.	Belle	WV	Corsecan	TX	NS-ESTL-UP	2813934	\$2,115	\$3,807	\$14,136	668%	13	\$27,497	\$183,768	-\$2,882,218	\$3,065,986	-\$2,604,763	\$2,788,531
12.	Removed																
13.	Belle	WV	East Billings	MT	NS-CHGO-BNSF	2818130	\$1,773	\$3,192	\$8,533	481%	9	\$15,961	\$76,797	-\$1,995,382	\$2,072,179	-\$1,803,298	\$1,880,095
14.	Belle	WV	Ethyl	AR	NS-ESTL-UP-MCNEI-LNWN	2813934	\$2,133	\$3,839	\$14,136	663%	30	\$63,982	\$424,080	-\$6,651,272	\$7,075,352	-\$6,010,992	\$6,435,072
15.	Belle	WV	Finley	WA	NS-CHGO-BNSF	2813934	\$1,798	\$3,236	\$12,100	673%	17	\$30,565	\$205,700	-\$3,769,054	\$3,974,754	-\$3,406,229	\$3,611,929
16.	Removed																
17.	Belle	WV	Freeport	TX	NS-ESTL-UP	2818130	\$1,965	\$3,538	\$11,812	601%	12	\$23,586	\$141,744	-\$2,660,509	\$2,802,253	-\$2,404,397	\$2,546,141
18.	Belle	WV	Garyville	LA	NS-NEWOR-CN	2813934	\$3,478	\$6,261	\$22,732	654%	13	\$45,218	\$295,516	-\$2,882,218	\$3,177,734	-\$2,604,763	\$2,900,279
19.	Belle	WV	Geismar	LA	NS-NEWOR-CN	2813934	\$2,799	\$5,037	\$22,732	812%	0	\$0	\$0	\$0	\$0	\$0	\$0
20.	Belle	WV	Janesville	WI	NS-CHGO-UP	2818131	\$1,748	\$3,146	\$12,100	692%	10	\$17,479	\$121,000	-\$2,217,091	\$2,338,091	-\$2,003,664	\$2,124,664
21.	Belle	WV	Laredo	TX	NS-ESTL-UP	2818221	\$2,388	\$4,298	\$11,812	495%	0	\$0	\$0	\$0	\$0	\$0	\$0
22.	Belle	WV	Laredo	TX	NS-ESTL-UP	2818131	\$2,274	\$4,094	\$14,136	622%	0	\$0	\$0	\$0	\$0	\$0	\$0
23.	Belle	WV	Lorenzo	IL	NS-CHGO-BNSF	2813980	\$1,770	\$3,186	\$12,100	684%	9	\$15,931	\$108,900	-\$1,995,382	\$2,104,282	-\$1,803,298	\$1,912,198
24.	Belle	WV	Los Angeles	CA	NS-STRTR-BNSF	2813934	\$2,003	\$3,605	\$13,450	671%	32	\$64,097	\$430,400	-\$7,094,691	\$7,525,091	-\$6,411,725	\$6,842,125
25.	Belle	WV	Los Angeles	CA	NS-CHGO-UP	2818130	\$1,784	\$3,212	\$8,533	478%	24	\$42,823	\$204,792	-\$5,321,018	\$5,525,810	-\$4,808,794	\$5,013,586
26.	Removed																
27.	Belle	WV	Millsdale	IL	NS-CHGO-CN	2818131	\$1,745	\$3,142	\$12,100	693%	32	\$55,850	\$387,200	-\$7,094,691	\$7,481,891	-\$6,411,725	\$6,798,925
28.	Removed																
29.	Belle	WV	Saint Paul	MN	NS-CHGO-BNSF	2818221	\$1,958	\$3,524	\$8,533	436%	43	\$84,196	\$366,919	-\$9,533,490	\$9,900,409	-\$8,615,755	\$8,982,674
30.	Belle	WV	San Dimas	CA	NS-CHGO-UP	2813980	\$1,922	\$3,459	\$12,100	630%	2	\$3,844	\$24,200	-\$443,418	\$467,618	-\$400,733	\$424,933
31.	Removed																
32.	Belle	WV	St Gabriel	LA	NS-NEWOR-CN	2813934	\$3,323	\$5,982	\$22,732	684%	33	\$109,672	\$750,156	-\$7,316,400	\$8,066,556	-\$6,612,091	\$7,362,247
33.	Belle	WV	St Joseph	MO	NS-KCITY-UP	2818130	\$2,777	\$4,998	\$13,535	487%	4	\$11,107	\$54,140	-\$886,836	\$940,976	-\$801,466	\$855,606
34.	Removed																
35.	Belle	WV	Strang	TX	NS-ESTL-UP	2818221	\$2,322	\$4,179	\$11,812	509%	11	\$25,541	\$129,932	-\$2,438,800	\$2,568,732	-\$2,204,030	\$2,333,962
36.	Belle	WV	Strang	TX	NS-ESTL-BNSF	2813934	\$1,905	\$3,430	\$14,136	742%	3	\$5,716	\$42,408	-\$665,127	\$707,535	-\$601,099	\$643,507
37.	Belle	WV	Strang	TX	NS-ESTL-UP	2819183	\$2,036	\$3,665	\$5,139	252%	33	\$67,194	\$169,587	-\$7,316,400	\$7,485,987	-\$6,612,091	\$6,781,678
38.	Removed																
39.	Belle	WV	Texas City	TX	NS-ESTL-UP	2813934	\$2,133	\$3,839	\$14,136	663%	3	\$6,398	\$42,408	-\$665,127	\$707,535	-\$601,099	\$643,507
40.	Belle	WV	Verona	MO	NS-ESTL-BNSF	2813934	\$2,210	\$3,979	\$14,136	640%	16	\$35,366	\$226,176	-\$3,547,345	\$3,773,521	-\$3,205,862	\$3,432,038
41.	Belle	WV	West Memphis	AR	NS-KCITY-UP	2813934	\$2,785	\$5,013	\$19,539	702%	9	\$25,063	\$175,851	-\$1,995,382	\$2,171,233	-\$1,803,298	\$1,979,149
42.	Belle	WV	Winford Spur	LA	NS-MERID-KCS	2813980	\$2,949	\$5,309	\$19,888	674%	5	\$14,747	\$99,440	-\$1,108,545	\$1,207,985	-\$1,001,832	\$1,101,272
43.	Belle	WV	Wichita	KS	NS-ESTL-BNSF	2813934	\$2,258	\$4,064	\$14,136	626%	6	\$13,546	\$84,816	-\$1,330,254	\$1,415,070	-\$1,202,198	\$1,287,014
44.	Bloomington	TX	Greenville	SC	UP-NEWOR-NS	2821142	\$1,708	\$3,074	\$6,113	358%	0	\$0	\$0	\$0	\$0	\$0	\$0

**Variable Cost, Jurisdictional Threshold, Tariff Rate and
Adjusted Issue Revenue to Cover Shortfall for DuPont Movements - 2012-2017**

Origin		Destination		Railroad(s)	Commodity	I2012				2010 Issue	I2012 Issue	I2012 Issue	2014		2015		
City (1)	ST	City (2)	ST			Phase III	Jurisdictional	Tariff	Rate Variable Cost				Shortfall 8/	Shortfall 9/	Shortfall 8/	Shortfall 9/	
				Cost 1/	Threshold 2/	Rate 3/	Ratios 4/	Movements 5/	Costs 6/	Revenue 7/							
				(5)	(6)	(7)	(8)	(9)	(10)	(11)	(16)	(17)	(18)	(19)			
45.	Bloomington	TX	Washington, Warren	NJ	UP-ESTL-NS	2821142	\$2,710	\$4,877	\$9,644	356%	4	\$10,839	\$38,576	-\$886,836	\$925,412	-\$801,466	\$840,042
46.	Removed																
47.	Charleston; Bradley	TN	Woodstock	TN	NS-MEMPH-CN	2812220	\$1,194	\$2,149	\$4,170	349%	59	\$70,436	\$246,030	-\$13,080,836	\$13,326,866	-\$11,821,618	\$12,067,648
48.	Cresap	WV	Edgemoor	DE	CSXT-HAGTN-NS	2991315	\$753	\$1,356	\$3,591	477%	0	\$0	\$0	\$0	\$0	\$0	\$0
49.	Dowling	TX	Fort Mill	SC	KCS-MERID-NS	2815112	\$2,033	\$3,659	\$7,690	378%	3	\$6,099	\$23,070	-\$665,127	\$688,197	-\$601,099	\$624,169
50.	Edgemoor	DE	Garland	TX	NS-MERID-KCS	2816130	\$3,269	\$5,885	\$9,388	287%	22	\$71,926	\$206,536	-\$4,877,600	\$5,084,136	-\$4,408,061	\$4,614,597
51.	Edgemoor	DE	Groos	MI	NS-CHGO-CN	2816130	\$2,496	\$4,494	\$9,844	394%	57	\$142,295	\$561,108	-\$12,637,418	\$13,198,526	-\$11,420,885	\$11,981,993
52.	Edgemoor	DE	Laredo	TX	NS-ESTL-UP	2816130	\$2,997	\$5,394	\$10,991	367%	0	\$0	\$0	\$0	\$0	\$0	\$0
53.	Edgemoor	DE	Madavaska	ME	NS-ROUPT-CN	2816130	\$1,492	\$2,685	\$5,029	337%	47	\$70,118	\$236,363	-\$10,420,327	\$10,656,690	-\$9,417,221	\$9,653,584
54.	Edgemoor	DE	Pasadena	TX	NS-ESTL-UP	2819971	\$2,832	\$5,098	\$24,453	863%	17	\$48,143	\$415,701	-\$3,769,054	\$4,184,755	-\$3,406,229	\$3,821,930
55.	Edgemoor	DE	Port Huron	MI	NS-BUFF-CN	2816130	\$1,941	\$3,494	\$7,404	381%	25	\$48,534	\$185,100	-\$5,542,727	\$5,727,827	-\$5,009,160	\$5,194,260
56.	Edgemoor	DE	Portland	ME	NS-MCV-PAS-AYERM-ST	2816130	\$1,488	\$2,678	\$5,029	338%	48	\$71,424	\$241,392	-\$10,642,036	\$10,883,428	-\$9,617,587	\$9,858,979
57.	Edgemoor	DE	Portland	OR	NS-CHGO-BNSF	2816130	\$2,524	\$4,543	\$9,844	390%	35	\$88,342	\$344,540	-\$7,759,818	\$8,104,358	-\$7,012,824	\$7,357,364
58.	Edgemoor	DE	Quinnesec	MI	NS-CHGO-CN	2816130	\$2,498	\$4,496	\$9,844	394%	19	\$47,457	\$187,036	-\$4,212,473	\$4,399,509	-\$3,806,962	\$3,993,998
59.	Edgemoor	DE	Rileys	ME	NS-MCV-PAS-AYERM-ST	2816130	\$1,493	\$2,687	\$5,029	337%	20	\$29,858	\$100,580	-\$4,434,182	\$4,534,762	-\$4,007,328	\$4,107,908
60.	Edgemoor	DE	Rumford	ME	NS-MCV-PAS-AYERM-ST	2816130	\$1,488	\$2,679	\$5,029	338%	34	\$50,607	\$170,986	-\$7,538,109	\$7,709,095	-\$6,812,458	\$6,983,444
61.	Removed																
62.	Edgemoor	DE	Shawmutt	ME	NS-MCV-PAS-AYERM-ST	2816130	\$1,490	\$2,682	\$5,029	338%	40	\$59,601	\$201,160	-\$8,868,363	\$9,069,523	-\$8,014,656	\$8,215,816
63.	Edgemoor	DE	Snooby	CA	NS-CHGO-UP	2816130	\$2,529	\$4,552	\$9,844	389%	25	\$63,219	\$246,100	-\$5,542,727	\$5,788,827	-\$5,009,160	\$5,255,260
64.	Edgemoor	DE	Snooby	CA	NS-STRTR-BNSF	2816130	\$2,721	\$4,898	\$10,944	402%	0	\$0	\$0	\$0	\$0	\$0	\$0
65.	Edgemoor	DE	St Paul	MN	NS-CHGO-UP	2816130	\$2,524	\$4,543	\$9,844	390%	11	\$27,764	\$108,284	-\$2,438,800	\$2,547,084	-\$2,204,030	\$2,312,314
66.	Removed																
67.	Edgemoor	DE	West Monroe	LA	NS-MERID-KCS	2816130	\$3,274	\$5,893	\$9,388	287%	67	\$219,338	\$628,996	-\$14,854,508	\$15,483,504	-\$13,424,549	\$14,053,545
68.	Edgemoor	DE	Wheeling	IL	NS-CHGO-CN	2816130	\$2,487	\$4,477	\$9,844	396%	36	\$89,540	\$354,384	-\$7,981,527	\$8,335,911	-\$7,213,190	\$7,567,574
69.	Removed - STB Decision March 24, 2014 (Market Dominance)																
70.	Removed																
71.	Gregory	TX	Dragon	MS	UP-NEWOR-NS	2813984	\$579	\$1,041	\$2,486	430%	27	\$15,622	\$67,122	-\$5,986,145	\$6,053,267	-\$5,409,893	\$5,477,015
72.	Removed																
73.	Gregory	TX	Royce	NJ	UP-ESTL-NS	2813984	\$3,073	\$5,532	\$21,912	713%	30	\$92,192	\$657,360	-\$6,651,272	\$7,308,632	-\$6,010,992	\$6,668,352
74.	Removed																
75.	Lemont	IL	Edgemoor	DE	BNSF-CHGO-NS	2991315	\$2,385	\$4,292	\$8,384	352%	109	\$259,919	\$913,856	-\$24,166,290	\$25,080,146	-\$21,839,938	\$22,753,794
76.	Lemoyne	AL	Artesia	MS	NS-MERID-KCS	4810560	\$1,410	\$2,538	\$8,983	637%	0	\$0	\$0	\$0	\$0	\$0	\$0
77.	McIntosh	AL	Burnside	LA	NS-MOBIL-CN	2819330	\$362	\$652	\$2,400	662%	257	\$93,116	\$616,800	-\$56,979,233	\$57,596,033	-\$51,494,165	\$52,110,965
78.	McIntosh	AL	Delisle	MS	NS-MOBIL-CN-HATBG-KCS	2812815	\$366	\$659	\$2,900	792%	1,444	\$528,455	\$4,187,600	-\$320,147,910	\$324,335,510	-\$289,329,085	\$293,516,685
79.	McIntosh	AL	Delisle	MS	NS-MOBIL-CN-HATBG-KCS	2812220	\$372	\$670	\$2,400	644%	8	\$2,979	\$19,200	-\$1,773,673	\$1,792,873	-\$1,602,931	\$1,622,131
80.	McIntosh	AL	Orange	TX	NS-NEWOR-UP	2812220	\$1,809	\$3,256	\$9,214	509%	0	\$0	\$0	\$0	\$0	\$0	\$0
81.	McIntosh	AL	Woodstock	TN	NS-MOBIL-CN	2812220	\$372	\$670	\$2,400	645%	84	\$31,264	\$201,600	-\$18,623,563	\$18,825,163	-\$16,830,778	\$17,032,378
82.	Orange	TX	Greenville	SC	UP-NEWOR-NS	2821142	\$2,351	\$4,231	\$6,113	260%	10	\$23,506	\$61,130	-\$2,217,091	\$2,278,221	-\$2,003,664	\$2,064,794
83.	Orange	TX	Washington, Warren	NJ	UP-ESTL-NS	2821142	\$2,528	\$4,551	\$9,644	381%	4	\$10,114	\$38,576	-\$886,836	\$925,412	-\$801,466	\$840,042
84.	Pascagoula	MS	Fort Mill	SC	MSE-MOBIL-NS	2815112	\$2,349	\$4,228	\$8,928	380%	4	\$9,396	\$35,712	-\$886,836	\$922,548	-\$801,466	\$837,178
85.	Pascagoula	MS	Lemoyne	AL	MSE-MOBIL-NS	2815112	\$318	\$572	\$2,758	867%	0	\$0	\$0	\$0	\$0	\$0	\$0
86.	Strang	TX	Lemoyne	AL	UP-NEWOR-NS	2812350	\$2,026	\$3,646	\$6,899	341%	4	\$8,103	\$27,596	-\$886,836	\$914,432	-\$801,466	\$829,062
87.	Beauharnois	PQ	Edgemoor	DE	CSXT-BUFF-NS	2812815	\$1,625	\$2,925	\$12,375	761%	0	\$0	\$0	\$0	\$0	\$0	\$0
88.	Removed																
89.	Belle	WV	Gainesville	GA	NS-CINTI-CSXT	2813980	\$1,648	\$2,966	\$10,487	636%	2	\$3,295	\$20,974	-\$443,418	\$464,392	-\$400,733	\$421,707
90.	Belle	WV	Port Bienville	MS	NS-ATLA-CSXT-ANSLE-PBVR	2813934	\$3,015	\$5,427	\$12,839	426%	56	\$168,833	\$718,984	-\$12,415,708	\$13,134,692	-\$11,220,519	\$11,939,503
91.	Belle	WV	Theodore	AL	NS-CINTI-CSXT	2813934	\$1,638	\$2,948	\$10,487	640%	17	\$27,841	\$178,279	-\$3,769,054	\$3,947,333	-\$3,406,229	\$3,584,508
92.	Bellwood	VA	Dallas	GA	CSXT-PTRSB-NS	2819315	\$2,497	\$4,495	\$8,926	357%	0	\$0	\$0	\$0	\$0	\$0	\$0
93.	Removed - STB Decision March 24, 2014 (Market Dominance)																
94.	Bellwood	VA	Rockwell	NC	CSXT-PTRSB-NS	2819315	\$1,071	\$1,928	\$3,431	320%	0	\$0	\$0	\$0	\$0	\$0	\$0
95.	Removed																
96.	Danville	VA	Amphill	VA	NS-PTRSB-CSXT	3274110	\$706	\$1,270	\$1,910	271%	37	\$26,115	\$70,670	-\$8,203,236	\$8,273,906	-\$7,413,557	\$7,484,227
97.	Edgemoor	DE	New Johnsonville	TN	NS-CINTI-CSXT	2816130	\$2,617	\$4,711	\$9,594	367%	130	\$340,264	\$1,247,220	-\$28,822,180	\$30,069,400	-\$26,047,632	\$27,294,852
98.	Removed - STB Decision March 24, 2014 (Market Dominance)																
99.	Loudon	TN	Graingers	NC	NS-CHATT-CSXT	2818512	\$648	\$1,166	\$1,490	230%	20	\$12,960	\$29,800	-\$4,434,182	\$4,463,982	-\$4,007,328	\$4,037,128
100.	Loudon	TN	Graingers	NC	NS-CHATT-CSXT	2818512	\$674	\$1,212	\$1,684	250%	81	\$54,555	\$136,404	-\$17,958,435	\$18,094,839	-\$16,229,679	\$16,366,083
101.	Miami Fort	OH	Dallas	GA	CSXT-CINTI-NS	2819315	\$1,704	\$3,067	\$5,084	298%	0	\$0	\$0	\$0	\$0	\$0	\$0
102.	Miami Fort	OH	Gracewood	GA	CSXT-CHATT-NS	2819325	\$1,563	\$2,813	\$9,761	625%	12	\$18,754	\$117,132	-\$2,660,509	\$2,777,641	-\$2,404,397	\$2,521,529
103.	Miami Fort	OH	McIntosh	AL	CSXT-CHATT-NS	2819340	\$1,099	\$1,978	\$8,664	789%	11	\$12,087	\$95,304	-\$2,438,800	\$2,534,104	-\$2,204,030	\$2,299,334
104.	Removed																
105.	Removed																
106.	Miami Fort	OH	Pepper	VA	CSXT-CINTI-NS	2819345	\$2,278	\$4,100	\$5,174	227%	21	\$47,832	\$108,654	-\$4,655,891	\$4,764,545	-\$4,207,694	\$4,316,348
107.	Natrium	WV	Belle	WV	CSXT-CINTI-NS	2812220	\$1,706	\$3,071	\$8,532	500%	5	\$8,530	\$42,660	-\$1,108,545	\$1,151,205	-\$1,001,832	\$1,044,492
108.	Natrium	WV	Danville	VA	CSXT-LYNCH-NS	2812220	\$430	\$774	\$2,696	627%	84	\$36,134	\$226,464	-\$18,623,563	\$18,850,027	-\$16,830,778	\$17,057,242
109.	New Johnsonville	TN	Chapman	PA	CSXT-CINTI-NS	2816130	\$2,372	\$4,269	\$7,652	323%	5	\$11,859	\$38,260	-\$1,108,545	\$1,146,805	-\$1,001,832	\$1,040,092
110.	Removed																
111.	New Johnsonville	TN	Morrow	GA													

**Variable Cost, Jurisdictional Threshold, Tariff Rate and
Adjusted Issue Revenue to Cover Shortfall for DuPont Movements - 2012-2017**

Origin	Destination		Railroad(s)	Commodity	1Q2012				2010 Issue	1Q12 Issue	1Q12 Issue	2014		2015						
					Phase III	Jurisdictional	Tariff	Rate to				Adjusted Issue	Adjusted Issue							
					Cost 1/	Threshold 2/	Rate 3/	Variable Cost				Revenue To Cover	Revenue To Cover							
City	ST	City	ST	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
117. Starke	FL	Huntsville	AL	CSXT-DCTUR-NS	1441325	\$516	\$929	\$1,910	370%	19	\$9,807	\$36,290	-\$4,212,473	\$4,248,763	-\$3,806,962	\$3,843,252				
118. Removed - STB Decision March 24, 2014 (Market Dominance)																				
119. Wurtland	KY	McIntosh	AL	CSXT-BHAM-NS	2819315	\$883	\$1,589	\$2,633	298%	0	\$0	\$0	\$0	\$0	\$0	\$0				
120. Belle	WV	Divine	IL	NS-PINE-CN	2813980	\$1,687	\$3,037	\$11,542	684%	44	\$74,234	\$507,848	-\$9,755,199	\$10,263,047	-\$8,816,122	\$9,323,970				
121. Belle	WV	Mapleton	IL	NS-LOGPT-TPW	2813934	\$1,497	\$2,694	\$7,845	524%	61	\$91,310	\$478,545	-\$13,524,234	\$14,002,799	-\$12,222,351	\$12,700,896				
122. Burnside	LA	Gracewood	GA	CN-NEWOR-NS	2819325	\$2,155	\$3,879	\$18,406	854%	30	\$64,647	\$552,180	-\$6,651,272	\$7,203,452	-\$6,010,992	\$6,563,172				
123. Removed																				
124. New Johnsonville	TN	McDonough	GA	CSXT-CHATT-NS	2816130	\$1,138	\$2,048	\$4,815	423%	14	\$15,933	\$67,410	-\$3,103,927	\$3,171,337	-\$2,805,130	\$2,872,540				
125. Charleston	TN	Woodstock	TN	NS-MEMPH-CN	2812410	\$1,178	\$2,121	\$9,265	786%	0	\$0	\$0	\$0	\$0	\$0	\$0				
126. Reybold	DE	Albuquerque	NM	NS-STRTR-BNSF	2819315	\$2,674	\$4,814	\$10,844	405%	0	\$0	\$0	\$0	\$0	\$0	\$0				
127. Reybold	DE	Baltimore	MD	NS-BALBV-CSXT	2819315	\$434	\$782	\$3,900	898%	0	\$0	\$0	\$0	\$0	\$0	\$0				
128. Reybold	DE	Blair	NE	NS-CHGO-UP	2819315	\$2,480	\$4,465	\$10,008	403%	0	\$0	\$0	\$0	\$0	\$0	\$0				
129. Reybold	DE	Brewton	AL	NS-BHAM-CSXT	2819315	\$2,802	\$5,043	\$10,476	374%	0	\$0	\$0	\$0	\$0	\$0	\$0				
130. Reybold	DE	Castle Hayne	NC	NS-CHLTE-CSXT	2819315	\$1,941	\$3,494	\$5,844	301%	0	\$0	\$0	\$0	\$0	\$0	\$0				
131. Reybold	DE	Clifton	AZ	NS-KCITY-UP	2819315	\$3,572	\$6,430	\$14,928	418%	0	\$0	\$0	\$0	\$0	\$0	\$0				
132. Reybold	DE	Corson	SD	NS-CHGO-BNSF	2819315	\$2,480	\$4,465	\$10,008	403%	0	\$0	\$0	\$0	\$0	\$0	\$0				
133. Removed																				
134. Reybold	DE	Ferguson	MS	NS-MEMPHIS-CN	2819315	\$3,240	\$5,833	\$12,882	398%	0	\$0	\$0	\$0	\$0	\$0	\$0				
135. Reybold	DE	Hastings	NE	NS-CHGO-BNSF	2819315	\$2,480	\$4,465	\$10,008	403%	0	\$0	\$0	\$0	\$0	\$0	\$0				
136. Reybold	DE	Indianapolis	IN	NS-CINTI-CSXT	2819315	\$2,231	\$4,015	\$8,880	398%	0	\$0	\$0	\$0	\$0	\$0	\$0				
137. Reybold	DE	Omaha	NE	NS-CHGO-UP	2819315	\$2,480	\$4,465	\$10,008	403%	0	\$0	\$0	\$0	\$0	\$0	\$0				
138. Reybold	DE	Orange	TX	NS-ESTL-BNSF	2819315	\$2,964	\$5,335	\$12,192	411%	0	\$0	\$0	\$0	\$0	\$0	\$0				
139. Reybold	DE	Phoenix	AZ	NS-STRTR-BNSF	2819315	\$2,674	\$4,814	\$10,844	405%	0	\$0	\$0	\$0	\$0	\$0	\$0				
140. Reybold	DE	Sioux City	IA	NS-CHGO-BNSF	2819315	\$2,480	\$4,465	\$10,008	403%	0	\$0	\$0	\$0	\$0	\$0	\$0				
141. Reybold	DE	Toledo	OH	NS-TOLED-CSXT	2819315	\$1,859	\$3,346	\$7,200	387%	0	\$0	\$0	\$0	\$0	\$0	\$0				
142. Reybold	DE	Washington	WV	NS-HAGTN-CSXT	2819315	\$740	\$1,332	\$6,444	871%	0	\$0	\$0	\$0	\$0	\$0	\$0				
143. Total											4,738	6,309,051	\$33,375,947	-\$1,050,457,617 10/	\$1,083,833,564	-\$949,336,015 10/	\$982,711,962			
144. Rate to Variable Cost Ratio													529%	11/	17,179%	14/	15,576%	15/		
145. Minimum																				
146. Maximum																				

1/ STB Decision workpapers "STB Revised Variable Cost Calculation.xlsx" 1Q2012 variable costs.
 2/ Column (5) x 1.8
 3/ Tariff Rate from Rebuttal Exhibit II-A-16
 4/ Column (7) ÷ Column (5)
 5/ Issue Movement carloads from Rebuttal workpaper "DuPont Issue Lead Unit Waybills_2009 & 2010 Data for T&O Final.xlsx" for lanes with effective tariff rates.
 6/ Column (5) x Column (9)
 7/ Column (7) x Column (9)
 8/ Line 143 Column (12) ÷ Line 143 Column (9) x Column (9)
 9/ Column (11) - Column (12)
 10/ Revenue shortfall for given year from, "D42125 Exhibit III-H-1 STB No3 Corrected STB.xlsx" netting level, in the STB's 10/3/14 decision.
 11/ Line 143 Column (11) ÷ Line 143 Column (10)
 12/ Line 143 Column (13) ÷ Line 143 Column (10)
 13/ Line 143 Column (15) ÷ Line 143 Column (10)
 14/ Line 143 Column (17) ÷ Line 143 Column (10)
 15/ Line 143 Column (19) ÷ Line 143 Column (10)
 16/ Line 143 Column (21) ÷ Line 143 Column (10)
 17/ Line 143 Column (23) ÷ Line 143 Column (10)

**Variable Cost, Jurisdictional Threshold, Tariff Rate and
Adjusted Issue Revenue to Cover Shortfall for DuPont Movements - 2012-2017**

Origin		Destination		Railroad(s)	Commodity	1Q2012				2010 Issue Movements 5/	1Q12 Issue Costs 6/	1Q12 Issue Revenue 7/	2016		2017		
City (1)	ST	City (2)	ST			Phase III Cost 1/	Jurisdictional Threshold 2/	Tariff Rate 3/	Rate to Variable Cost Ratio 4/				Adjusted Issue Revenue To Cover Shortfall 8/	Adjusted Issue Revenue To Cover Shortfall 9/	Adjusted Issue Revenue To Cover Shortfall 8/	Adjusted Issue Revenue To Cover Shortfall 9/	
Exhibit A - Local Moves																	
1	Removed																
2	Bayway	NJ	Waynesville	NC	NS	2819315	\$2,628	\$4,731	\$12,855	489%	3	\$7,885	\$38,565	-\$453,712	\$492,277	-\$222,744	\$261,309
3	Belle	WV	Danville	IL	NS	2813980	\$1,923	\$3,461	\$11,836	616%	30	\$57,689	\$355,080	-\$4,537,123	\$4,892,203	-\$2,227,442	\$2,582,522
4	Removed																
5	Removed																
6	Removed																
7	Removed																
8	Removed																
9	Belle	WV	Wyandotte	MI	NS	2813934	\$1,818	\$3,273	\$8,814	485%	0	\$0	\$0	\$0	\$0	\$0	\$0
10	Charleston	TN	Edgemoor	DE	NS	2812815	\$2,602	\$4,684	\$18,562	713%	14	\$36,429	\$259,868	-\$2,117,324	\$2,377,192	-\$1,039,473	\$1,299,341
11	Edgemoor	DE	Chicago	IL	NS	2816130	\$2,605	\$4,688	\$9,844	378%	24	\$62,513	\$236,256	-\$3,629,698	\$3,865,954	-\$1,781,953	\$2,018,209
12	Edgemoor	DE	Chillicothe	OH	NS	2816130	\$2,537	\$4,566	\$6,510	257%	7	\$17,756	\$45,570	-\$1,058,662	\$1,104,232	-\$519,736	\$565,306
13	Edgemoor	DE	Mahrt	AL	NS	2816130	\$3,352	\$6,033	\$12,376	369%	95	\$318,394	\$1,175,720	-\$14,367,555	\$15,543,275	-\$7,053,565	\$8,229,285
14	Edgemoor	DE	Riverswood Intl	GA	NS	2816130	\$3,040	\$5,473	\$6,270	206%	28	\$85,134	\$175,560	-\$4,234,648	\$4,410,208	-\$2,078,945	\$2,254,505
15	Edgemoor	DE	Wabash	IN	NS	2816130	\$2,666	\$4,800	\$6,627	249%	5	\$13,332	\$33,135	-\$756,187	\$789,322	-\$371,240	\$404,375
16	Lemoyne	AL	Giant	SC	NS	4810560	\$2,746	\$4,943	\$5,136	187%	2	\$5,492	\$10,272	-\$302,475	\$312,747	-\$148,496	\$158,768
17	Loudon	TN	Braithwaite	LA	NS	2818512	\$2,282	\$4,108	\$4,125	181%	0	\$0	\$0	\$0	\$0	\$0	\$0
18	Louisville	KY	Decatur	IL	NS	2819450	\$1,430	\$2,574	\$4,596	321%	73	\$104,393	\$335,508	-\$11,040,332	\$11,375,840	-\$5,420,108	\$5,755,616
19	Removed - STB Decision March 24, 2014 (Market Dominance)																
20	Removed																
21	Removed																
22	McIntosh	AL	Lemoyne	AL	NS	2812220	\$566	\$1,020	\$1,605	283%	16	\$9,064	\$25,680	-\$2,419,799	\$2,445,479	-\$1,187,969	\$1,213,649
23	Reybold	DE	Detroit	MI	NS	2819315	\$2,138	\$3,849	\$7,812	365%	0	\$0	\$0	\$0	\$0	\$0	\$0
24	Reybold	DE	Fort Mill	SC	NS	2819315	\$2,144	\$3,859	\$6,108	285%	0	\$0	\$0	\$0	\$0	\$0	\$0
25	Reybold	DE	Morrisville	PA	NS	2819315	\$666	\$1,199	\$3,614	542%	0	\$0	\$0	\$0	\$0	\$0	\$0
Exhibit B - Joint Moves																	
1	Belle	WV	Anaheim	CA	NS-CHGO-UP	2813980	\$1,797	\$3,235	\$12,100	673%	1	\$1,797	\$12,100	-\$151,237	\$163,337	-\$74,248	\$86,348
2	Belle	WV	Bayport	TX	NS-ESTL-UP	2818620	\$2,389	\$4,301	\$11,812	494%	18	\$43,008	\$212,616	-\$2,722,274	\$2,934,890	-\$1,336,465	\$1,549,081
3	Removed																
4	Belle	WV	Brownsville	TX	NS-ESTL-UP	2818221	\$2,388	\$4,298	\$11,812	495%	0	\$0	\$0	\$0	\$0	\$0	\$0
5	Belle	WV	Burley	ID	NS-CHGO-UP	2813934	\$1,797	\$3,235	\$12,100	673%	7	\$12,579	\$84,700	-\$1,058,662	\$1,143,362	-\$519,736	\$604,436
6	Belle	WV	Cadet	MO	NS-KCITY-UP	2813934	\$3,044	\$5,480	\$19,539	642%	0	\$0	\$0	\$0	\$0	\$0	\$0
7	Removed																
8	Belle	WV	Channelview	TX	NS-ESTL-UP	2818130	\$2,067	\$3,721	\$11,812	571%	21	\$43,414	\$248,052	-\$3,175,986	\$3,424,038	-\$1,559,209	\$1,807,261
9	Belle	WV	City of Commerce	CA	NS-STRTR-BNSF	2818221	\$2,082	\$3,748	\$10,242	492%	8	\$16,657	\$81,936	-\$1,209,899	\$1,291,835	-\$593,984	\$675,920
10	Belle	WV	Conroe	TX	NS-ESTL-BNSF	2813934	\$2,227	\$4,009	\$14,136	635%	89	\$198,235	\$1,258,104	-\$13,460,130	\$14,718,234	-\$6,608,077	\$7,866,181
11	Belle	WV	Coriscana	TX	NS-ESTL-UP	2813934	\$2,115	\$3,807	\$14,136	668%	13	\$27,497	\$183,768	-\$1,966,086	\$2,149,854	-\$965,225	\$1,148,993
12	Removed																
13	Belle	WV	East Billings	MT	NS-CHGO-BNSF	2818130	\$1,773	\$3,192	\$8,533	481%	9	\$15,961	\$76,797	-\$1,361,137	\$1,437,934	-\$668,232	\$745,029
14	Belle	WV	Ethyl	AR	NS-ESTL-UP-MCNEI-LNW	2813934	\$2,133	\$3,839	\$14,136	663%	30	\$63,982	\$424,080	-\$4,537,123	\$4,961,203	-\$2,227,442	\$2,651,522
15	Belle	WV	Finley	WA	NS-CHGO-BNSF	2813934	\$1,798	\$3,236	\$12,100	673%	17	\$30,565	\$205,700	-\$2,571,036	\$2,776,736	-\$1,262,217	\$1,467,917
16	Removed																
17	Belle	WV	Freeport	TX	NS-ESTL-UP	2818130	\$1,965	\$3,538	\$11,812	601%	12	\$23,586	\$141,744	-\$1,814,849	\$1,956,593	-\$890,977	\$1,032,721
18	Belle	WV	Garyville	LA	NS-NEWOR-CN	2813934	\$3,478	\$6,261	\$22,732	654%	13	\$45,218	\$295,516	-\$1,966,086	\$2,261,602	-\$965,225	\$1,260,741
19	Belle	WV	Geismar	LA	NS-NEWOR-CN	2813934	\$2,799	\$5,037	\$22,732	812%	0	\$0	\$0	\$0	\$0	\$0	\$0
20	Belle	WV	Janesville	WI	NS-CHGO-UP	2818131	\$1,748	\$3,146	\$12,100	692%	10	\$17,479	\$121,000	-\$1,512,374	\$1,633,374	-\$742,481	\$863,481
21	Belle	WV	Laredo	TX	NS-ESTL-UP	2818221	\$2,388	\$4,298	\$11,812	495%	0	\$0	\$0	\$0	\$0	\$0	\$0
22	Belle	WV	Laredo	TX	NS-ESTL-UP	2818131	\$2,274	\$4,094	\$14,136	622%	0	\$0	\$0	\$0	\$0	\$0	\$0
23	Belle	WV	Lorenzo	IL	NS-CHGO-BNSF	2813980	\$1,770	\$3,186	\$12,100	684%	9	\$15,931	\$108,900	-\$1,361,137	\$1,470,037	-\$668,232	\$777,132
24	Belle	WV	Los Angeles	CA	NS-STRTR-BNSF	2813934	\$2,003	\$3,605	\$13,450	671%	32	\$64,097	\$430,400	-\$4,839,597	\$5,269,997	-\$2,375,938	\$2,806,338
25	Belle	WV	Los Angeles	CA	NS-CHGO-UP	2818130	\$1,784	\$3,212	\$8,533	478%	24	\$42,823	\$204,792	-\$3,629,698	\$3,834,490	-\$1,781,953	\$1,986,745
26	Removed																
27	Belle	WV	Millsdale	IL	NS-CHGO-CN	2818131	\$1,745	\$3,142	\$12,100	693%	32	\$55,850	\$387,200	-\$4,839,597	\$5,226,797	-\$2,375,938	\$2,763,138
28	Removed																
29	Belle	WV	Saint Paul	MN	NS-CHGO-BNSF	2818221	\$1,958	\$3,524	\$8,533	436%	43	\$84,196	\$366,919	-\$6,503,209	\$6,870,128	-\$3,192,666	\$3,559,585
30	Belle	WV	San Dimas	CA	NS-CHGO-UP	2813980	\$1,922	\$3,459	\$12,100	630%	2	\$3,844	\$24,200	-\$302,475	\$326,675	-\$148,496	\$172,696
31	Removed																
32	Belle	WV	St Gabriel	LA	NS-NEWOR-CN	2813934	\$3,323	\$5,982	\$22,732	684%	33	\$109,672	\$750,156	-\$4,990,835	\$5,740,991	-\$2,450,186	\$3,200,342
33	Belle	WV	St Joseph	MO	NS-KCITY-UP	2818130	\$2,777	\$4,998	\$13,535	487%	4	\$11,107	\$54,140	-\$604,950	\$659,090	-\$296,992	\$351,132
34	Removed																
35	Belle	WV	Strang	TX	NS-ESTL-UP	2818221	\$2,322	\$4,179	\$11,812	509%	11	\$25,541	\$129,932	-\$1,663,612	\$1,793,544	-\$816,729	\$946,661
36	Belle	WV	Strang	TX	NS-ESTL-BNSF	2813934	\$1,905	\$3,430	\$14,136	742%	3	\$5,716	\$42,408	-\$453,712	\$496,120	-\$222,744	\$265,152
37	Belle	WV	Strang	TX	NS-ESTL-UP	2819183	\$2,036	\$3,665	\$5,139	252%	33	\$67,194	\$169,587	-\$4,990,835	\$5,160,422	-\$2,450,186	\$2,619,773
38	Removed																
39	Belle	WV	Texas City	TX	NS-ESTL-UP	2813934	\$2,133	\$3,839	\$14,136	663%	3	\$6,398	\$42,408	-\$453,712	\$496,120	-\$222,744	\$265,152
40	Belle	WV	Verona	MO	NS-ESTL-BNSF	2813934	\$2,210	\$3,979	\$14,136	640%	16	\$35,366	\$226,176	-\$2,419,799	\$2,645,975	-\$1,187,969	\$1,414,145
41	Belle	WV	West Memphis	AR	NS-KCITY-UP	2813934	\$2,785	\$5,013	\$19,539	702%	9	\$25,063	\$175,851	-\$1,361,137	\$1,536,988	-\$668,232	\$844,083
42	Belle	WV	Winford Spur	LA	NS-MERID-KCS	2813980	\$2,949	\$5,309	\$19,888	674%	5	\$14,747	\$99,440	-\$756,187	\$855,627	-\$371,240	\$470,680
43	Belle	WV	Wichita	KS	NS-ESTL-BNSF	2813934	\$2,258	\$4,064	\$14,136	626%	6	\$13,546	\$84,816	-\$907,425	\$992,241	-\$445,488	\$530,304
44	Bloomington	TX	Greenville	SC	UP-NEWOR-NS	2821142	\$1,708	\$3,074	\$6,113	358%	0	\$0	\$0	\$0	\$0	\$0	\$0

**Variable Cost, Jurisdictional Threshold, Tariff Rate and
Adjusted Issue Revenue to Cover Shortfall for DuPont Movements - 2012-2017**

Origin	Destination	Railroad(s)	Commodity	IQ2012							2016				2017			
				Phase III	Jurisdictional	Tariff	Rate to	2010	IQ12	IQ12	Adjusted Issue		Adjusted Issue					
				Cost 1/	Threshold 2/	Rate 3/	Variable Cost	Issue	Issue	Issue	Revenue To Cover	Revenue To Cover	Shortfall 8/	Shortfall 9/				
City (1)	ST (2)	City (2)	ST (2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
45. Bloomington	TX	Washington, Warren	NJ	UP-ESTL-NS	2821142	\$2,710	\$4,877	\$9,644	356%	4	\$10,839	\$38,576	-\$604,950	\$643,526	-\$296,992	\$335,568		
46. Removed																		
47. Charleston; Bradley	TN	Woodstock	TN	NS-MEMPH-CN	2812220	\$1,194	\$2,149	\$4,170	349%	59	\$70,436	\$246,030	-\$8,923,008	\$9,169,038	-\$4,380,635	\$4,626,665		
48. Cresap	WV	Edgemoor	DE	CSXT-HAGTN-NS	2991315	\$753	\$1,356	\$3,591	477%	0	\$0	\$0	\$0	\$0	\$0	\$0		
49. Dowling	TX	Fort Mill	SC	KCS-MERID-NS	2815112	\$2,033	\$3,659	\$7,690	378%	3	\$6,099	\$23,070	-\$453,712	\$476,782	-\$222,744	\$245,814		
50. Edgemoor	DE	Garland	TX	NS-MERID-KCS	2816130	\$3,269	\$5,885	\$9,388	287%	22	\$71,926	\$206,536	-\$3,327,223	\$3,533,759	-\$1,633,457	\$1,839,993		
51. Edgemoor	DE	Groos	MI	NS-CHGO-CN	2816130	\$2,496	\$4,494	\$9,844	394%	57	\$142,295	\$561,108	-\$8,620,533	\$9,181,641	-\$4,232,139	\$4,793,247		
52. Edgemoor	DE	Laredo	TX	NS-ESTL-UP	2816130	\$2,997	\$5,394	\$10,991	367%	0	\$0	\$0	\$0	\$0	\$0	\$0		
53. Edgemoor	DE	Madavaska	ME	NS-ROUPT-CN	2816130	\$1,492	\$2,685	\$5,029	337%	47	\$70,118	\$236,363	-\$7,108,159	\$7,344,522	-\$3,489,658	\$3,726,021		
54. Edgemoor	DE	Pasadena	TX	NS-ESTL-UP	2819971	\$2,832	\$5,098	\$24,453	863%	17	\$48,143	\$415,701	-\$2,571,036	\$2,986,737	-\$1,262,217	\$1,677,918		
55. Edgemoor	DE	Port Huron	MI	NS-BUFF-CN	2816130	\$1,941	\$3,494	\$7,404	381%	25	\$48,534	\$185,100	-\$3,780,936	\$3,966,036	-\$1,856,201	\$2,041,301		
56. Edgemoor	DE	Portland	ME	NS-MCV-PAS-AYERM-ST	2816130	\$1,488	\$2,678	\$5,029	338%	48	\$71,424	\$241,392	-\$7,259,396	\$7,500,788	-\$3,563,906	\$3,805,298		
57. Edgemoor	DE	Portland	OR	NS-CHGO-BNSF	2816130	\$2,524	\$4,543	\$9,844	390%	35	\$88,342	\$344,540	-\$5,293,310	\$5,637,850	-\$2,598,682	\$2,943,222		
58. Edgemoor	DE	Quinnesc	MI	NS-CHGO-CN	2816130	\$2,498	\$4,496	\$9,844	394%	19	\$47,457	\$187,036	-\$2,873,511	\$3,060,547	-\$1,410,713	\$1,597,749		
59. Edgemoor	DE	Rileys	ME	NS-MCV-PAS-AYERM-ST	2816130	\$1,493	\$2,687	\$5,029	337%	20	\$29,858	\$100,580	-\$3,024,748	\$3,125,328	-\$1,484,961	\$1,585,541		
60. Edgemoor	DE	Rumford	ME	NS-MCV-PAS-AYERM-ST	2816130	\$1,488	\$2,679	\$5,029	338%	34	\$50,607	\$170,986	-\$5,142,072	\$5,313,058	-\$2,524,434	\$2,695,420		
61. Removed																		
62. Edgemoor	DE	Shawmutt	ME	NS-MCV-PAS-AYERM-ST	2816130	\$1,490	\$2,682	\$5,029	338%	40	\$59,601	\$201,160	-\$6,049,497	\$6,250,657	-\$2,969,922	\$3,171,082		
63. Edgemoor	DE	Snoboy	CA	NS-CHGO-UP	2816130	\$2,529	\$4,552	\$9,844	389%	25	\$63,219	\$246,100	-\$3,780,936	\$4,027,036	-\$1,856,201	\$2,102,301		
64. Edgemoor	DE	Snoboy	CA	NS-STRTR-BNSF	2816130	\$2,721	\$4,898	\$10,944	402%	0	\$0	\$0	\$0	\$0	\$0	\$0		
65. Edgemoor	DE	St Paul	MN	NS-CHGO-UP	2816130	\$2,524	\$4,543	\$9,844	390%	11	\$27,764	\$108,284	-\$1,663,612	\$1,771,896	-\$816,729	\$925,013		
66. Removed																		
67. Edgemoor	DE	West Monroe	LA	NS-MERID-KCS	2816130	\$3,274	\$5,893	\$9,388	287%	67	\$219,338	\$628,996	-\$10,132,907	\$10,761,903	-\$4,974,619	\$5,603,615		
68. Edgemoor	DE	Wheeling	IL	NS-CHGO-CN	2816130	\$2,487	\$4,477	\$9,844	396%	36	\$89,540	\$354,384	-\$5,444,547	\$5,798,931	-\$2,672,930	\$3,027,314		
69. Removed - STB Decision March 24, 2014 (Market Dominance)																		
70. Removed																		
71. Gregory	TX	Dragon	MS	UP-NEWOR-NS	2813984	\$579	\$1,041	\$2,486	430%	27	\$15,622	\$67,122	-\$4,083,410	\$4,150,532	-\$2,004,697	\$2,071,819		
72. Removed																		
73. Gregory	TX	Royce	NJ	UP-ESTL-NS	2813984	\$3,073	\$5,532	\$21,912	713%	30	\$92,192	\$657,360	-\$4,537,123	\$5,194,483	-\$2,227,442	\$2,884,802		
74. Removed																		
75. Lemont	IL	Edgemoor	DE	BNSF-CHGO-NS	2991315	\$2,385	\$4,292	\$8,384	352%	109	\$259,919	\$913,856	-\$16,484,879	\$17,398,735	-\$8,093,038	\$9,006,894		
76. Lemoyne	AL	Aretesia	MS	NS-MERID-KCS	4810560	\$1,410	\$2,538	\$8,983	637%	0	\$0	\$0	\$0	\$0	\$0	\$0		
77. McIntosh	AL	Burnside	LA	NS-MOBIL-CN	2819330	\$362	\$652	\$2,400	662%	257	\$93,116	\$616,800	-\$38,868,017	\$39,484,817	-\$19,081,749	\$19,698,549		
78. McIntosh	AL	Deilise	MS	NS-MOBIL-CN-HATBG-KCS	2812815	\$366	\$659	\$2,900	792%	1,444	\$528,455	\$4,187,600	-\$218,386,835	\$222,574,435	-\$107,214,185	\$111,401,785		
79. McIntosh	AL	Deilise	MS	NS-MOBIL-CN-HATBG-KCS	2812220	\$372	\$670	\$2,400	644%	8	\$2,979	\$19,200	-\$1,209,899	\$1,229,099	-\$593,984	\$613,184		
80. McIntosh	AL	Orange	TX	NS-NEWOR-UP	2812220	\$1,809	\$3,256	\$9,214	509%	0	\$0	\$0	\$0	\$0	\$0	\$0		
81. McIntosh	AL	Woodstock	TN	NS-MOBIL-CN	2812220	\$372	\$670	\$2,400	645%	84	\$31,264	\$201,600	-\$12,703,943	\$12,905,543	-\$6,236,836	\$6,438,436		
82. Orange	TX	Greenville	SC	UP-NEWOR-NS	2821142	\$2,351	\$4,231	\$6,113	260%	10	\$23,506	\$61,130	-\$1,512,374	\$1,573,504	-\$742,481	\$803,611		
83. Orange	TX	Washington, Warren	NJ	UP-ESTL-NS	2821142	\$2,528	\$4,551	\$9,644	381%	4	\$10,114	\$38,576	-\$604,950	\$643,526	-\$296,992	\$335,568		
84. Pascagoula	MS	Fort Mill	SC	MSE-MOBIL-NS	2815112	\$2,349	\$4,228	\$8,928	380%	4	\$9,396	\$35,712	-\$604,950	\$640,662	-\$296,992	\$332,704		
85. Pascagoula	MS	Lemoyne	AL	MSE-MOBIL-NS	2815112	\$318	\$572	\$2,758	867%	0	\$0	\$0	\$0	\$0	\$0	\$0		
86. Strang	TX	Lemoyne	AL	UP-NEWOR-NS	2812350	\$2,026	\$3,646	\$6,899	341%	4	\$8,103	\$27,596	-\$604,950	\$632,546	-\$296,992	\$324,588		
87. Beauharnois	PQ	Edgemoor	DE	CSXT-BUFF-NS	2812815	\$1,625	\$2,925	\$12,375	761%	0	\$0	\$0	\$0	\$0	\$0	\$0		
88. Removed																		
89. Belle	WV	Gainesville	GA	NS-CINTI-CSXT	2813980	\$1,648	\$2,966	\$10,487	636%	2	\$3,295	\$20,974	-\$302,475	\$323,449	-\$148,496	\$169,470		
90. Belle	WV	Port Bienville	MS	NS-ATLA-CSXT-ANSLE-PBVR	2813934	\$3,015	\$5,427	\$12,839	426%	56	\$168,833	\$718,984	-\$8,469,296	\$9,188,280	-\$4,157,891	\$4,876,875		
91. Belle	WV	Theodore	AL	NS-CINTI-CSXT	2813934	\$1,638	\$2,948	\$10,487	640%	17	\$27,841	\$178,279	-\$2,571,036	\$2,749,315	-\$1,262,217	\$1,440,496		
92. Bellwood	VA	Dallas	GA	CSXT-PTRSB-NS	2819315	\$2,497	\$4,495	\$8,926	357%	0	\$0	\$0	\$0	\$0	\$0	\$0		
93. Removed - STB Decision March 24, 2014 (Market Dominance)																		
94. Bellwood	VA	Rockwell	NC	CSXT-PTRSB-NS	2819315	\$1,071	\$1,928	\$3,431	320%	0	\$0	\$0	\$0	\$0	\$0	\$0		
95. Removed																		
96. Danville	VA	Amphill	VA	NS-PTRSB-CSXT	3274110	\$706	\$1,270	\$1,910	271%	37	\$26,115	\$70,670	-\$5,595,785	\$5,666,455	-\$2,747,178	\$2,817,848		
97. Edgemoor	DE	New Johnsonville	TN	NS-CINTI-CSXT	2816130	\$2,617	\$4,711	\$9,594	367%	130	\$340,264	\$1,247,220	-\$19,660,865	\$20,908,085	-\$9,652,247	\$10,899,467		
98. Removed - STB Decision March 24, 2014 (Market Dominance)																		
99. Loudon	TN	Graingers	NC	NS-CHATT-CSXT	2818512	\$648	\$1,166	\$1,490	230%	20	\$12,960	\$29,800	-\$3,024,748	\$3,054,548	-\$1,484,961	\$1,514,761		
100. Loudon	TN	Graingers	NC	NS-CHATT-CSXT	2818512	\$674	\$1,212	\$1,684	250%	81	\$54,555	\$136,404	-\$12,250,231	\$12,386,635	-\$6,014,092	\$6,150,496		
101. Miami Fort	OH	Dallas	GA	CSXT-CINTI-NS	2819315	\$1,704	\$3,067	\$5,084	298%	0	\$0	\$0	\$0	\$0	\$0	\$0		
102. Miami Fort	OH	Gracewood	GA	CSXT-CHATT-NS	2819325	\$1,563	\$2,813	\$9,761	625%	12	\$18,754	\$117,132	-\$1,814,849	\$1,931,981	-\$890,977	\$1,008,109		
103. Miami Fort	OH	McIntosh	AL	CSXT-CHATT-NS	2819340	\$1,099	\$1,978	\$8,664	789%	11	\$12,087	\$95,304	-\$1,663,612	\$1,758,916	-\$816,729	\$912,033		
104. Removed																		
105. Removed																		
106. Miami Fort	OH	Pepper	VA	CSXT-CINTI-NS	2819345	\$2,278	\$4,100	\$5,174	227%	21	\$47,832	\$108,654	-\$3,175,986	\$3,284,640	-\$1,559,209	\$1,667,863		
107. Natrium	WV	Belle	WV	CSXT-CINTI-NS	2812220	\$1,706	\$3,071	\$8,532	500%	5	\$8,530	\$42,660	-\$756,187	\$798,847	-\$371,240	\$413,900		
108. Natrium	WV	Danville	VA	CSXT-LYNCH-NS	2812220	\$430	\$774	\$2,696	627%	84	\$36,134	\$226,464	-\$12,703,943	\$12,930,407	-\$6,236,836	\$6,463,300		
109. New Johnsonville	TN	Chapman	PA	CSXT-CINTI-NS	2816130	\$2,372	\$4,269	\$7,652	323%	5	\$11,859	\$38,260	-\$756,187	\$794,447	-\$371,240	\$409,500		
110. Removed																		
111. New Johnsonville	TN	Morrow	GA	CSXT-CHATT-NS	2816130	\$758	\$1,364	\$4,815	635%	13	\$9,855	\$62,595	-\$1,966,086	\$2,028,681	-\$965,225	\$1,027,820		
112. Niagara Falls	NY	Belle	WV	CSXT-CLMBO-NS	2812220	\$996	\$1,793	\$3,269	328%	8								

**Variable Cost, Jurisdictional Threshold, Tariff Rate and
Adjusted Issue Revenue to Cover Shortfall for DuPont Movements - 2012-2017**

Origin		Destination		Railroad(s)	Commodity	1Q2012				2010 Issue Movements 5/	1Q12 Issue Costs 6/	1Q12 Issue Revenue 7/	2016		2017		
City (1)	ST	City (2)	ST			Phase III Cost 1/ (5)	Jurisdictional Threshold 2/ (6)	Tariff Rate 3/ (7)	Variable Cost Ratios 4/ (8)				Adjusted Issue Revenue To Cover Shortfall 8/ (20)	Adjusted Issue Revenue To Cover Shortfall 9/ (21)	Adjusted Issue Revenue To Cover Shortfall 8/ (22)	Adjusted Issue Revenue To Cover Shortfall 9/ (23)	
117. Starke	FL	Huntsville	AL	CSXT-DCTUR-NS	1441325	\$516	\$929	\$1,910	370%	19	\$9,807	\$36,290	-\$2,873,511	\$2,909,801	-\$1,410,713	\$1,447,003	
118. Removed - STB Decision March 24, 2014 (Market Dominance)																	
119. Wurland	KY	McIntosh	AL	CSXT-BHAM-NS	2819315	\$883	\$1,589	\$2,633	298%	0	\$0	\$0	\$0	\$0	\$0	\$0	
120. Belle	WV	Divine	IL	NS-PINE-CN	2813980	\$1,687	\$3,037	\$11,542	684%	44	\$74,234	\$507,848	-\$6,654,447	\$7,162,295	-\$3,266,914	\$3,774,762	
121. Belle	WV	Mapleton	IL	NS-LOGPT-TPW	2813934	\$1,497	\$2,694	\$7,845	524%	61	\$91,310	\$478,545	-\$9,225,483	\$9,704,028	-\$4,529,131	\$5,007,676	
122. Burnside	LA	Gracewood	GA	CN-NEWOR-NS	2819325	\$2,155	\$3,879	\$18,406	854%	30	\$64,647	\$552,180	-\$4,537,123	\$5,089,303	-\$2,227,442	\$2,779,622	
123. Removed																	
124. New Johnsonville	TN	McDonough	GA	CSXT-CHATT-NS	2816130	\$1,138	\$2,048	\$4,815	423%	14	\$15,933	\$67,410	-\$2,117,324	\$2,184,734	-\$1,039,473	\$1,106,883	
125. Charleston	TN	Woodstock	TN	NS-MEMPH-CN	2812410	\$1,178	\$2,121	\$9,265	786%	0	\$0	\$0	\$0	\$0	\$0	\$0	
126. Reybold	DE	Albuquerque	NM	NS-STRTR-BNSF	2819315	\$2,674	\$4,814	\$10,844	405%	0	\$0	\$0	\$0	\$0	\$0	\$0	
127. Reybold	DE	Baltimore	MD	NS-BALBV-CSXT	2819315	\$434	\$782	\$3,900	898%	0	\$0	\$0	\$0	\$0	\$0	\$0	
128. Reybold	DE	Blair	NE	NS-CHGO-UP	2819315	\$2,480	\$4,465	\$10,008	403%	0	\$0	\$0	\$0	\$0	\$0	\$0	
129. Reybold	DE	Brewton	AL	NS-BHAM-CSXT	2819315	\$2,802	\$5,043	\$10,476	374%	0	\$0	\$0	\$0	\$0	\$0	\$0	
130. Reybold	DE	Castle Hayne	NC	NS-CHLTE-CSXT	2819315	\$1,941	\$3,494	\$5,844	301%	0	\$0	\$0	\$0	\$0	\$0	\$0	
131. Reybold	DE	Clifton	AZ	NS-KCITE-UP	2819315	\$3,572	\$6,430	\$14,928	418%	0	\$0	\$0	\$0	\$0	\$0	\$0	
132. Reybold	DE	Corson	SD	NS-CHGO-BNSF	2819315	\$2,480	\$4,465	\$10,008	403%	0	\$0	\$0	\$0	\$0	\$0	\$0	
133. Removed																	
134. Reybold	DE	Ferguson	MS	NS-MEMPH-CN	2819315	\$3,240	\$5,833	\$12,882	398%	0	\$0	\$0	\$0	\$0	\$0	\$0	
135. Reybold	DE	Hastings	NE	NS-CHGO-BNSF	2819315	\$2,480	\$4,465	\$10,008	403%	0	\$0	\$0	\$0	\$0	\$0	\$0	
136. Reybold	DE	Indianapolis	IN	NS-CINTL-CSXT	2819315	\$2,231	\$4,015	\$8,880	398%	0	\$0	\$0	\$0	\$0	\$0	\$0	
137. Reybold	DE	Omaha	NE	NS-CHGO-UP	2819315	\$2,480	\$4,465	\$10,008	403%	0	\$0	\$0	\$0	\$0	\$0	\$0	
138. Reybold	DE	Orange	TX	NS-ESTL-BNSF	2819315	\$2,964	\$5,335	\$12,192	411%	0	\$0	\$0	\$0	\$0	\$0	\$0	
139. Reybold	DE	Phoenix	AZ	NS-STRTR-BNSF	2819315	\$2,674	\$4,814	\$10,844	405%	0	\$0	\$0	\$0	\$0	\$0	\$0	
140. Reybold	DE	Sioux City	IA	NS-CHGO-BNSF	2819315	\$2,480	\$4,465	\$10,008	403%	0	\$0	\$0	\$0	\$0	\$0	\$0	
141. Reybold	DE	Toledo	OH	NS-TOLED-CSXT	2819315	\$1,859	\$3,346	\$7,200	387%	0	\$0	\$0	\$0	\$0	\$0	\$0	
142. Reybold	DE	Washington	WV	NS-HAGTN-CSXT	2819315	\$740	\$1,332	\$6,444	871%	0	\$0	\$0	\$0	\$0	\$0	\$0	
143. Total										4,738	6,309,051	\$33,375,947	-\$716,562,898 10/	\$749,938,845	-\$351,787,265 10/	\$385,163,212	
144. Rate to Variable Cost Ratio												529%	11/	11,887%	16/	6,105%	17/
145. Minimum																	
146. Maximum																	

1/ STB Decision workpapers "STB Revised Variable Cost Calculation.xlsx" 1Q2012 variable costs.

2/ Column (5) x 1.8

3/ Tariff Rate from Rebuttal Exhibit II-A-16

4/ Column (7) + Column (5)

5/ Issue Movement carloads from Rebuttal workpaper "DuPont Issue Lead Unit Waybills_2009 & 2010 Data for T&O Final.xlsx" for lanes with effective tariff rates.

6/ Column (5) x Column (9)

7/ Column (7) x Column (9)

8/ Line 143 Column (12) + Line 143 Column (9) x Column (9)

9/ Column (11) - Column (12)

10/ Revenue shortfall for given year from, "D42125 Exhibit III-H-1 STB No3 Corrected STB.xlsm" netting level, in the STB's 10/3/14 decision.

11/ Line 143 Column (11) + Line 143 Column (10)

12/ Line 143 Column (13) + Line 143 Column (10)

13/ Line 143 Column (15) + Line 143 Column (10)

14/ Line 143 Column (17) + Line 143 Column (10)

15/ Line 143 Column (19) + Line 143 Column (10)

16/ Line 143 Column (21) + Line 143 Column (10)

17/ Line 143 Column (23) + Line 143 Column (10)

Exhibit 2

**Estimate of Weighted Average Issue Traffic R/VC Ratio
Necessary for Revenues to Equal Stand Alone Cost
Based on the STB's Decision in DuPont Corrected for Technical Errors**

	<u>Year</u> (1)	<u>Shortfalls In Revenues 1/</u> (2)	<u>Issue Traffic R/VC Ratio</u> (3)	<u>Issue Traffic R/VC Ratio Needed To Cover Shortfall</u> (4)	<u>Source</u> (5)
1.	2009	-\$958,626,455	351%	49,836%	Exhibit 1a
2.	2010	-\$1,414,270,853	368%	44,382%	Exhibit 1b
3.	2011	-\$1,495,151,777	494%	25,037%	Exhibit 1c
4.	2012	-\$1,278,689,985	529%	20,797%	Exhibit 1d
5.	2013	-\$1,207,607,724	xxx	19,670%	Exhibit 1d
6.	2014	-\$1,050,457,617	xxx	17,179%	Exhibit 1d
7.	2015	-\$949,336,015	xxx	15,576%	Exhibit 1d
8.	2016	-\$716,562,898	xxx	11,887%	Exhibit 1d
9.	2017	-\$351,787,265	xxx	6,105%	Exhibit 1d
10.	2018	\$11,505,163	xxx	xxx	xxx
11.	2019	\$220,026,970	xxx	xxx	xxx

1/ Based on the STB's October 3, 2014 decision.

Exhibit 3

DRR Revenue Shortfall Allocation Methodology Ratios - October 3, 2014 Decision

<u>Year</u> (1)	<u>Stand-Alone Costs 1/</u> (2)	<u>SARR Revenues 1/</u> (3)	<u>Shortfall/ (Overage) 2/</u> (4)	<u>Tax-Adjusted Shortfall/ (Overage) 3/</u> (5)	<u>Revenue From Potentially Captive Movements 4/</u> (6)	<u>Tax-Adjusted Revenues From Potentially Captive Movements 5/</u> (7)	<u>Variable Costs From Potentially Captive Movements 6/</u> (8)	<u>RSAM Ratio 7/</u> (9)	
1.	2009	\$3,888,740,197	\$2,930,113,742	\$958,626,455	\$1,577,971,811	\$1,342,083,764	\$2,920,055,575	\$504,314,718	579.0%
2.	2010	7,182,680,171	5,768,409,318	1,414,270,853	2,327,997,029	1,621,182,193	3,949,179,221	633,075,380	623.8%
3.	2011	7,747,171,831	6,252,020,054	1,495,151,777	2,461,133,160	1,733,629,584	4,194,762,745	680,896,278	616.1%
4.	2012	8,017,901,322	6,739,211,337	1,278,689,985	2,104,820,642	1,975,402,444	4,080,223,086	763,614,760	534.3%
5.	2013	8,409,397,121	7,201,789,397	1,207,607,724	1,987,813,852	2,124,898,714	4,112,712,566	810,454,728	507.5%
6.	2014	8,771,883,783	7,721,426,165	1,050,457,617	1,729,132,865	2,397,647,608	4,126,780,472	902,756,340	457.1%
7.	2015	9,142,231,448	8,192,895,433	949,336,015	1,562,679,042	2,625,234,744	4,187,913,786	972,849,028	430.5%
8.	2016	9,613,661,410	8,897,098,512	716,562,898	1,179,516,847	2,862,656,732	4,042,173,579	1,057,347,566	382.3%
9.	2017	10,117,465,120	9,765,677,855	351,787,265	579,068,504	3,225,712,900	3,804,781,403	1,178,074,412	323.0%
10.	2018	10,646,253,086	10,657,758,249	-11,505,163	-11,505,163	3,553,798,219	3,542,293,057	1,296,922,037	273.1%
11.	2019	4,638,448,910	4,858,475,880	-220,026,970	-220,026,970	1,663,505,367	1,443,478,397	607,725,799	237.5%

1/ Based on the STB's October 3, 2014 decision.

2/ Column (2) - Column (3).

3/ Column (4) ÷ (1 - 39.2% DRR Marginal Tax Rate) where Column (4) is greater than zero (0). Where Column (4) is less than zero (0), the overage is not adjusted for taxes as to not overstate the potential revenue overage.

4/ Estimated revenue associated with traffic with R/VC ratios greater than 180%.

5/ Column (5) + Column (6).

6/ URCS Phase III variable costs associated with traffic with R/VC ratios greater than 180%.

7/ Column (7) ÷ Column (8).

Exhibit 4

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

TOTAL PETROCHEMICALS USA, INC.

Complainant

v.

CSX TRANSPORTATION, INC.

Defendant

Docket No. NOR 42121

**DEFENDANT'S RESPONSES AND OBJECTIONS TO COMPLAINANT'S FIRST
REQUESTS FOR ADMISSION, INTERROGATORIES, AND REQUESTS FOR
PRODUCTION OF DOCUMENTS**

Pursuant to 49 C.F.R. Part 1114 and other applicable rules and authority, CSX Transportation, Inc. ("CSXT"), through undersigned counsel, responds as follows to Complainant Total Petrochemicals USA, Inc.'s ("TPI") First Requests for Admission, Interrogatories, and Requests for Production of Documents (the "Discovery Requests").

GENERAL OBJECTIONS

CSXT's General Objections, as set forth herein, are to be considered objections to each of the specific interrogatories and document requests (including subparts) that follow. CSXT's objections shall not waive or prejudice any objections that it may later assert.

1. CSXT objects to the gargantuan number and immense scope of TPI's discovery requests, which are vastly overbroad, unduly burdensome, and grossly unreasonable. TPI has posed 709 separate discovery requests including subparts. Indeed, accounting for requests where TPI has demanded separate responses for each Issue Movement or specified short line railroad, TPI has made no fewer than 2155 separate requests! No complainant in a recent SAC case has propounded such broad and extensive discovery. To make matters worse, many of TPI's Discovery Requests have a breathtakingly expansive scope. It claims to only request records for

that is not readily accessible in a computer readable format. Subject to and without waiving these objections or the General Objections, CSXT responds that it will produce non-privileged, responsive documents in its possession, to the extent that they can be located in a reasonable search.

REQUEST FOR PRODUCTION NO. 23

Please provide all documents, including programs, decoders, and instructions, necessary to utilize, evaluate and link the data produced in response to Request for Production Nos. 20, 21 and 22. Please include with this production a description of the relationship between the databases (e.g., whether there is a 1:1 ratio between databases, or whether one can expect to link 100% of the records in one file to another file.) Please also indicate which data fields are common to (and may be used to link) the provided databases.

Response:

CSXT objects to this Request to the extent that it requires CSXT to share “programs, decoders, and instructions,” which may violate the terms of applicable software licenses and agreements. CSXT further objects to this Request to the extent that it requires CSXT to perform a special study by compiling or organizing “decoders” or devising means to “link” data. CSXT also objects to this Request because it is overbroad and unduly burdensome. Subject to and without waiving these specific objections or the General Objections, CSXT responds that it will provide information necessary for TPI’s consultants to access and read the data CSXT produces, to the extent that CSXT maintains such information.

REQUEST FOR PRODUCTION NO. 24

Please produce all studies, analyses, reports, or other documents that evaluate or report on CSXT’s implementation and recent update of its “ONE Plan” which, according to CSXT, is an internal company program for improving operating performance of the railroad and driving greater network efficiencies.

Exhibit 5

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

E.I. DUPONT DE NEMOURS AND COMPANY

Complainant

v.

NORFOLK SOUTHERN RAILWAY COMPANY

Defendant

Docket No. NOR 42125

**DEFENDANT'S RESPONSES AND OBJECTIONS TO
COMPLAINANT'S FIRST SET OF DISCOVERY REQUESTS**

Pursuant to 49 C.F.R. Part 1114 and other applicable rules and authority, Norfolk Southern Railway Company ("NS"), through undersigned counsel, responds as follows to Complainant E.I. DuPont de Nemours and Company's ("DuPont's") First Set of Discovery Requests (the "Discovery Requests").

GENERAL OBJECTIONS

NS's General Objections, as set forth herein, are to be considered objections to each of the specific interrogatories and document requests (including subparts) that follow. NS's objections shall not waive or prejudice any objections that it may later assert.

1. NS objects to the gargantuan number and immense scope of DuPont's discovery requests, which are vastly overbroad, unduly burdensome, and grossly unreasonable. DuPont has posed 841 separate discovery requests including subparts. This broad and extensive discovery is far more oppressive and extensive than necessary for DuPont to develop evidence in this case. Indeed, DuPont's discovery requests are peppered with demands for materials that have little or no conceivable relevance to the subject matter of this case – such as demanding that NS produce "working copies" of seventeen different computer models. DuPont's failure to limit

operations,” which is vague and ambiguous. Subject to and without waiving these specific objections or the General Objections, NS responds that it will produce or make available for inspection responsive documents in its possession, to the extent that they exist and can be located in a reasonable search.

REQUEST FOR PRODUCTION NO. 23

Please provide all documents, including programs, decoders, and instructions, necessary to utilize, evaluate and link the data produced in response to Request for Production Nos. 20, 21, and 22. Please include with this production a description of the relationship between the databases (e.g., whether there is a 1:1 ratio between databases, or whether one can expect to link 100% of the records in one file to another file). Please also indicate which data fields are common (and may be used to link) to the provided databases.

Response:

NS objects to this Request to the extent that it requires NS to share “programs, decoders, and instructions,” which may violate the terms of applicable software licenses and agreements. NS further objects to this Request to the extent that it requires NS to perform a special study by compiling or organizing “decoders” or devising means to “link” data. NS also objects to this Request because it is overbroad and unduly burdensome. Subject to and without waiving these specific objections or the General Objections, NS responds that it will produce or make available for inspection responsive documents in its possession, to the extent that they exist and can be located in a reasonable search.

REQUEST FOR PRODUCTION NO. 24

Please produce all studies, analyses, reports, or other documents that evaluate or report on any NS internal company program for improving operating performance of the railroad and driving greater network efficiencies.

Response:

NS specifically objects to this Request because it is not relevant and not reasonably calculated to lead to the discovery of admissible evidence. The question in this proceeding is

Exhibit 6



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SAN FRANCISCO
SHANGHAI
SINGAPORE
SYDNEY
TOKYO
WASHINGTON, D.C.

FOUNDED 1866

October 11, 2011

By First Class Mail and Email

Jeffrey O. Moreno
Thompson Hine LLP
1920 N Street, N.W.
Washington, DC 20423

Re: *SunBelt Chlor Alkali Partnership v. Norfolk Southern Railway Company and Union Pacific Railroad Company, STB Docket No. NOR 42130*

Dear Jeff:

Over the last several months, a significant amount of documents and data responsive to SunBelt's discovery requests has been produced by NS in response to your client E.I. du Pont de Nemours and Company's ("DuPont's") discovery requests in STB Docket No. 42125. To date NS has produced 41 DVDs and 60 external hard drives in response to DuPont's discovery requests. Rather than duplicating all this data for separate production to SunBelt, NS will allow SunBelt to use the data that has been produced to DuPont, subject to the following conditions:

- 1) For purposes of this letter, "DuPont Production Data" means all information that NS has produced to DuPont in STB Docket No. 42125 as of October 11, 2011 (excepting that information discussed in paragraph 2). DuPont Production Data includes (i) the information contained on the 41 DVDs that NS has produced to DuPont in STB Docket No. 42125 numbered NS-DP-C-DVD-001 through NS-DP-HC-DVD-041; (ii) the information contained on the four external hard drives NS-DP-HC-EHD-001, NS-DP-HC-EHD-002, NS-DP-HC-EHD-003, and NS-DP-HC-EHD-004; and (iii) the GIS data contained on the fifty-six external hard drives NS-DP-C-GIS-EHD-001 through NS-DP-C-GIS-EHD-056.
- 2) Certain documents were produced to DuPont in response to DuPont-specific discovery requests and are not responsive to any SunBelt discovery requests. The documents at the following Bates ranges represent DuPont-specific discovery data that is not included in the DuPont Production Data being made available to SunBelt: (1) the pdf numbered NS-DP-C-23991 through 24002; and (2) the pdfs numbered NS-DP-HC-37997 through 38082.

Jeffrey O. Moreno

October 11, 2011

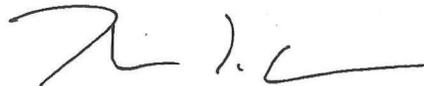
Page 2

- 3) All confidentiality designations and Sensitive Security Information (“SSI”) designations of the DuPont Production Data will apply to SunBelt’s use of this data. Specifically, all DuPont Production Data that was designated Confidential under the DuPont protective order is also designated Confidential under the provisions of the September 6, 2011 protective order entered by the STB in Docket No. 42130 (“SunBelt Protective Order”); all DuPont Production Data that was designated Highly Confidential under the DuPont protective order is also designated Highly Confidential under the SunBelt Protective Order; and all DuPont Production Data that was designated SSI in Docket No. 42125 is also designated SSI for purposes of Docket No. 42130 and should be treated accordingly. All DuPont Production Data made available to SunBelt is to be treated in accordance with the provisions of the SunBelt Protective Order and may only be accessed by persons who have executed the applicable undertakings for the SunBelt Protective Order.
- 4) The DuPont Production Data is being made available to SunBelt subject to the objections, reservations, and conditions set forth in NS’s Responses and Objections to SunBelt’s First Set of Discovery Requests (served October 7, 2011).
- 5) For purposes of STB Docket No. 42130, the DuPont Production Data shall be treated as though it were separately produced to SunBelt on October 11, 2011.

In some instances, the DuPont Production Data completely responds to SunBelt’s discovery requests. In other instances, the DuPont Production Data partially responds to SunBelt’s discovery requests (primarily because SunBelt’s discovery requests cover a different time frame than that covered by DuPont’s discovery requests). NS will produce documents and data to SunBelt on a rolling basis to complete its production.

If you have any questions, please contact me.

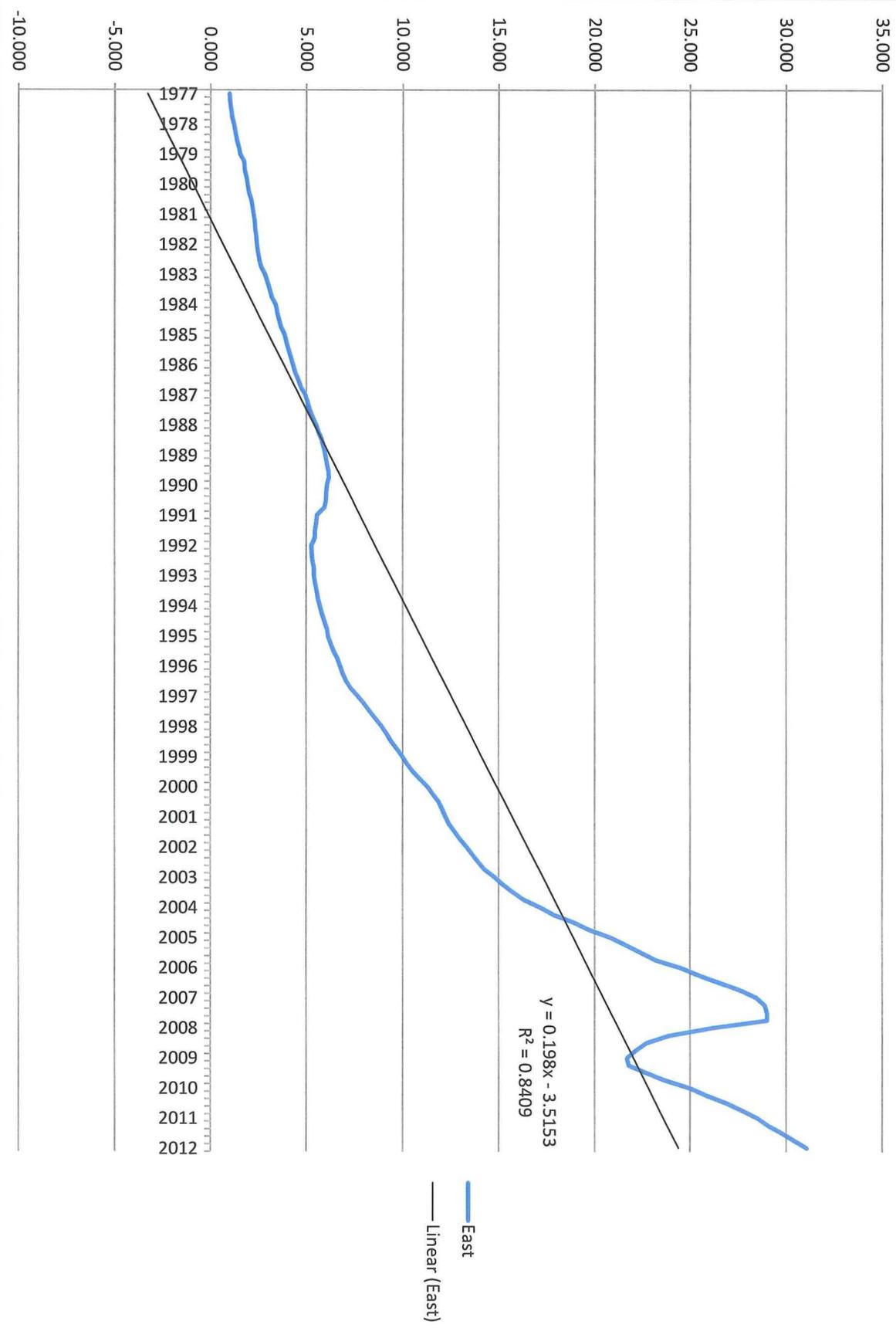
Sincerely,



Matthew J. Warren

Exhibit 7

NCREIF East (1977 Q4 = 100)



— East
— Linear (East)

Exhibit 8

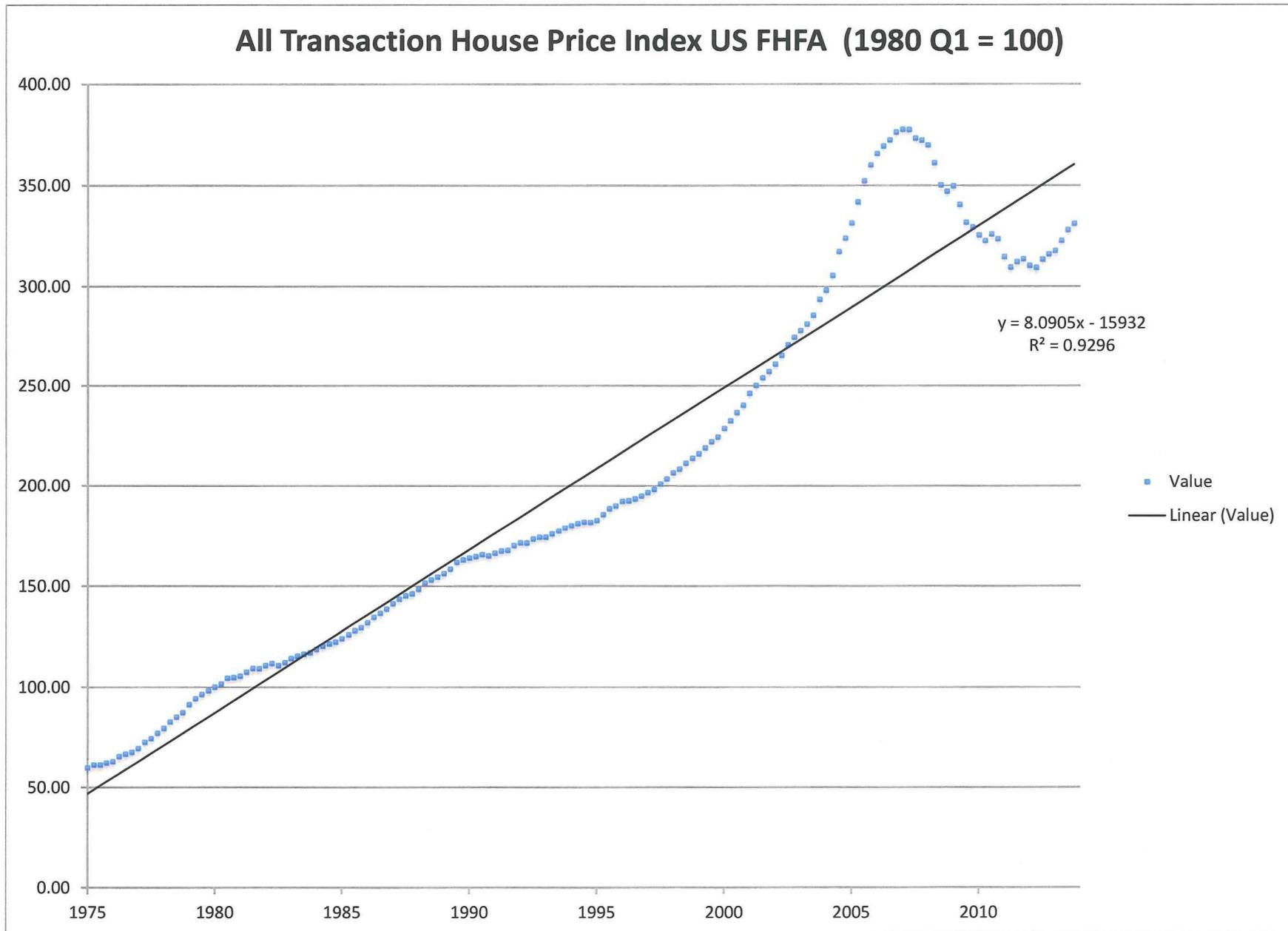


Exhibit 9

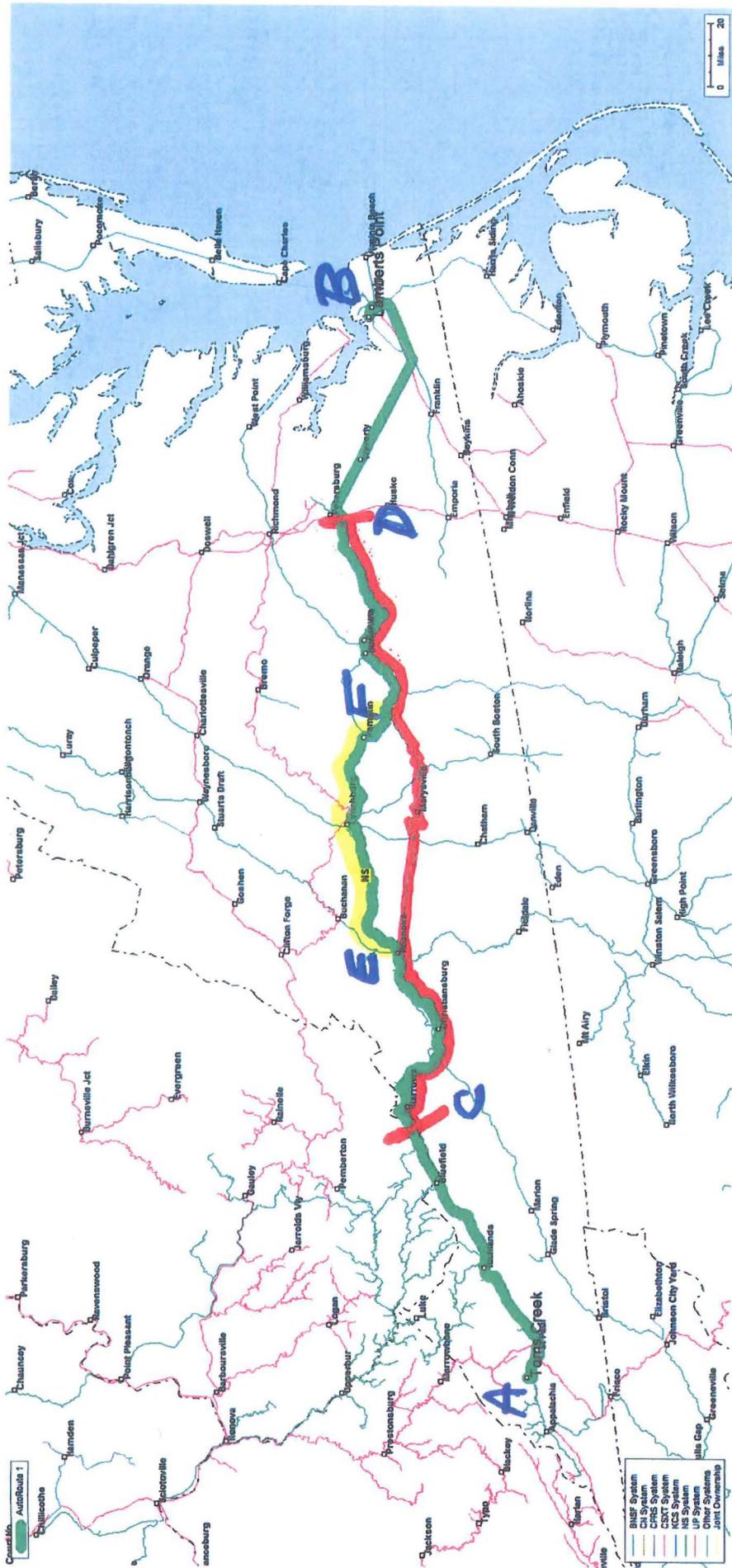
STB's Mistreatment of NS Railway Operating Revenue Earned on Subsidiary TCS/TDIS Intermodal Traffic

Item (1)	TCS/TDIS (2)	Other (3)	Total (4)	Percent of TCS/TDIS Expenses (5)	Source (6)
1. NS Intermodal Railway Operating Revenues reported to SEC/STB	xxx	xxx	1,796.0	xxx	R-1 and 10-K Reports
2. Total IM Line-Haul Revenue provided by NS	63.6	1,376.4	1,440.0	xxx	Provided NS Traffic Data
3. Total IM Train Starts Revenue provided by NS	35.1	-	35.1	xxx	Provided NS Traffic Data
4. NS Reply Statement of NS Intermodal Revenues	98.7	1,376.4	1,475.1	xxx	Line 2 + Line 3
5. NS Railway Operating Revenues not provided in NS Traffic data	xxx	xxx	320.9	xxx	Line 1 - Line 4
6. TCS/TDIS Total Revenue	376.0	-	376.0	xxx	Provided TCS/TDIS Data
7. Total TCS/TDIS Line-Haul Payments to NS	63.6	-	63.6	xxx	Included in both NS Traffic data and TCS/TDIS data
8. Total TCS/TDIS Train Starts Payments to NS	35.1	-	35.1	xxx	Included in both NS Traffic data and TCS/TDIS data
9. TCS/TDIS Total Revenue net of Payments to NS	277.3	-	277.3	xxx	Line 6 - Line 7 - Line 8
10. Total Intermodal Revenue in Combined NS Data	376.0	1,376.4	1,752.4	xxx	Line 4 + Line 9
11. NS Intermodal Revenues reported to SEC/STB but not provided to DuPont	xxx	xxx	43.6	1/	Line 1 - Line 10
12. TCS/TDIS Total Revenue	376.0	-	376.0	xxx	Line 6
13. TCS/TDIS Payments to NS	98.7	-	98.7	34%	Line 7 + Line 8
14. TCS/TDIS Payments to Foreign Roads	38.0	-	38.0	2/ 14%	Provided TCS/TDIS Data
15. TCS/TDIS Drayage Payments	107.9	-	107.9	2/ 45%	Provided TCS/TDIS Data
16. TCS/TDIS Other Expenses	46.0	-	46.0	2/ 35%	Provided TCS/TDIS Data
17. TCS/TDIS Remaining Revenues	85.3	-	85.3	2/ xxx	Line 12 - Line 13 - Line 14 - Line 15 - Line 16
18. DuPont Rebuttal Statement of NS Net Intermodal Revenues	184.0	1,376.4	1,560.4		Line 4 + Line 17

1/ NS Gross Intermodal Revenues not provided to DuPont in any database

2/ NS Net Intermodal Revenues provided to DuPont in the TCS/TDIS database only

Exhibit 10



— = ACTUAL - NS ROUTE

— = SARR ROUTE

— = SEGMENT NS FANED TO ALLOCATE FIXED COST TO SARR.

EXAMPLE - NS AND DUPONT DIFFERENCES IN ALTERNATE ATC CALCULATIONS
(Coal Shipments Between TOMS CREEK, VA and LAMBERTS POINT, VA)

Item (1)	CALCULATIONS						
	DuPont Opening		NS Reply		DuPont Rebuttal		
	Aggregate (2)	Per Ton 1/ (3)	Aggregate (4)	Per Ton 2/ (5)	Aggregate (6)	Per Ton 3/ (7)	
1. Cars	8,675	xxx	8,675	xxx	8,675	xxx	
2. Net Tons	941,594	xxx	941,594	xxx	941,594	xxx	
3. NS Net Revenue	\$25,505,740	\$27.09	\$25,505,740	\$27.09	\$25,505,740	\$27.09	
4. Average Total Miles	364.6	xxx	521.0	xxx	521.0	xxx	
<u>ATC Calculations Before Reroute</u>							
5. Average DRR Miles	161.2	xxx	xxx	xxx	161.2	xxx	
6. Average Residual NS Miles	203.4	xxx	4/	xxx	359.8	xxx	
7. DRR Fixed Costs	855,716	\$0.91	xxx	xxx	855,716	\$0.91	
8. Residual NS Fixed Costs	2,859,189	\$3.04	xxx	xxx	2,859,189	\$3.04	
9. Total Fixed Costs	3,714,905	\$3.95	xxx	xxx	3,714,905	\$3.95	
10. DRR Variable Costs	3,001,963	\$3.19	xxx	xxx	3,001,560	\$3.19	
11. Residual NS Variable Costs	4,517,771	\$4.80	4/	xxx	7,435,825	\$7.90	
12. Total Variable Costs	7,519,734	\$7.99	xxx	xxx	10,437,385	\$11.08	
<u>ATC Calculations After Reroute</u> 5/							
13. Average DRR Miles - Reroute	265.2	xxx	292.5	xxx	292.5	xxx	
14. Average Residual NS Miles - Reroute	99.4	xxx	228.5	xxx	228.5	xxx	
15. DRR Fixed Costs	\$855,716	\$0.91	\$855,716	\$0.91	\$1,899,064	\$2.02	
16. Residual NS Fixed Costs	\$2,859,189	\$3.04	\$2,859,189	\$3.04	\$1,815,842	\$1.93	
17. Total Fixed Costs	\$3,714,905	\$3.95	\$3,714,905	\$3.95	\$3,714,906	\$3.95	
18. DRR Variable Costs	\$3,001,963	\$3.19	\$5,440,625	\$5.78	\$5,714,970	\$6.07	
19. Residual NS Variable Costs	\$4,517,771	\$4.80	\$4,996,760	\$5.31	\$4,722,415	\$5.02	
20. Total Variable Costs	7,519,734	\$7.99	\$10,437,385	\$11.08	\$10,437,385	\$11.08	
<u>ATC Calculations After Reroute (% and Aggregate)</u>							
21. NS Contribution	6/	\$17,986,006	\$19.10	\$15,068,355	\$16.00	\$15,068,355	\$16.00
22. DRR Revenues - Original ATC	7/	\$8,757,999	\$9.30	\$11,347,480	\$12.05	\$13,722,271	\$14.57
23. DRR Revenues - Modified ATC	8/	\$9,177,883	\$9.75	\$12,144,522	\$12.90	\$13,821,853	\$14.68
24. DRR Revenues - Alternate ATC	9/	\$8,757,999	\$9.30	\$11,347,480	\$12.05	\$13,722,271	\$14.57
25. Original ATC - %	10/	34.3%	xxx	44.5%	xxx	53.8%	xxx
26. Modified ATC - %	11/	36.0%	xxx	47.6%	xxx	54.2%	xxx
27. Alternate ATC - %	12/	34.3%	xxx	44.5%	xxx	53.8%	xxx

1/ Column (2) ÷ Column (2), Line (2)

2/ Column (4) ÷ Column (4), Line (2)

3/ Column (6) ÷ Column (6), Line (2)

4/ Our SQL coding error affected the calculation of the total and residual NS mileages for variable cost calculations only.

5/ For rerouted cross-over traffic on Opening, DuPont either: (1) identified the traffic as local to the SARR (and took 100% of the NS revenue) if the actual DRR miles were less than the NS miles for the reroute; or (2) failed to make necessary adjustments to either the variable or fixed costs used in the ATC calculations to give the DRR the appropriate credit for the rerouted movement of the shipment on the DRR.

For rerouted cross-over traffic on Reply, NS: (1) accepted DuPont's incorrect calculation of fixed cost for rerouted traffic; and (2) recalculated variable costs to reflect: (a) a corrected total NS mileage based on the corrected SQL coding error and (b) an incorrect methodology to calculate the DRR variable costs used in the ATC calculations based on the movement of the rerouted shipment over the SARR and not on the NS over the actual route of movement.

For rerouted cross-over traffic on Rebuttal, DuPont: (1) corrected the incorrect calculation of fixed cost for rerouted traffic giving credit to the DRR for the movement of the rerouted shipment over the SARR; and recalculated variable costs to reflect: (a) a corrected total NS mileage based on corrected SQL coding error and (b) a correct methodology to calculate the DRR variable costs used in the ATC calculations based on the movement of the rerouted shipment over the NS over the actual route of movement.

6/ Line 3 - Line 20

7/ Line 3 x (Line 15 + Line 18) ÷ (Line 17 + Line 20)

8/ Line 21 x (Line 15 + Line 18) ÷ (Line 17 + Line 20) + Line 18

9/ Line 3 x (Line 15 + Line 18) ÷ (Line 17 + Line 20)

10/ Line 22 ÷ Line 3

11/ Line 23 ÷ Line 3

12/ Line 24 ÷ Line 3