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September 19, 2011

Via E-Filing

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

**Re: *Canexus Chemicals Canada L.P. v. BNSF Railway Company*, STB
Docket No. FD 35524**

Dear Ms. Brown:

This letter is filed on behalf of complainant Canexus Chemicals Canada L.P. ("Canexus") for the purpose of adding relevant new information to the record for decision in this proceeding. Specifically, BNSF Railway Company's ("BNSF") opposition to Canexus' Request for Order Compelling Establishment of Common Carrier Rates is based in part on a claim by BNSF that the CP Railway provides a viable option to BNSF to transport Canexus' chlorine from North Vancouver to Kansas City.¹ Apart from the threshold issue of whether the existence of an alternative should even factor in to the STB's analysis of a request for common carrier rates, Canexus has vigorously disputed this claim, since the CP Railway movement would be significantly longer and involve an additional railroad in the DM&E/ICE railroad, among other reasons.² Because of these factors and Canexus' belief that transporting its chlorine to Kansas City via CP Railway would be significantly more costly than via BNSF, Canexus has never seriously considered this alternative.³

¹ BNSF Railway Company's Response to the Board's Order of June 8, 2011 Regarding its Legal Position at 3, 10.
² Canexus' Reply to BNSF's Response to the Board's Order of June 8, 2011 Regarding its Legal Position at 8; Verified Statement of Martin W. Cove at 2.
³ Cove V.S. at 2.

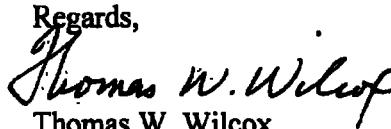
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Nevertheless, Canexus recently submitted a request to CP Railway for a common carrier rate from North Vancouver to Kansas City for interchange with UP. As shown by the attached exchange of emails between Canexus and CP Railway, the common carrier rate established by CP Railway for this transportation is nearly 50% higher than the rate of \$18,980 BNSF established for its transportation to the Kansas City interchange, which rate Canexus estimates is multiples of BNSF's variable costs of providing this service.

The common carrier rate established by CP Railway confirms that, in addition to the operational problems and inefficiencies associated with a CP Railway movement from North Vancouver to Kansas City, it makes absolutely no economic sense for Canexus to consider this alternative. This is further proof that Canexus' request to BNSF for a common carrier rate from North Vancouver to Kansas City for interchange with UP and furtherance to Canexus' customers pursuant to the rail transportation contract between UP and Canexus was reasonable, and BNSF should be required to continue providing a common carrier rate for this transportation.

Please do not hesitate to contact the undersigned if you have any questions.

Regards,



Thomas W. Wilcox

Attorney for Canexus Chemicals Canada L.P.

cc: Counsel for BNSF Railway
Counsel for UP

From: Cove, Marty (North Vancouver)
Sent: Friday, August 26, 2011 9:08 AM
To: Arthur Feygelson
Subject: Rate Request: Chlonne, North Vancouver, BC to Kansas City, MO

Arthur, Canexus ships chlorine to a variety of receivers in the US Mid-South. Those receivers are served by UP (Local), but UP is unable to originate the business from North Vancouver. I'm wondering if CPR could please provide Canexus with a quote to move chlorine from North Vancouver to Kansas City, MO to interchange with UP at that location. Volumes YTD to August 22nd to those customers that would utilize this rate are 66 railcars and we believe that this is representative of going forward volumes. Your quick response to this message would be most appreciated.

Regards,

Marty Cove

Manager, Logistics

Canexus Chemicals Canada LP

100 Amherst Ave | North Vancouver, BC | Canada V7H 1S4

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From: Arthur Feygelson [mailto:Arthur.Feygelson@cpr.ca]
Sent: Wednesday, September 14, 2011 02:52 PM
To: Cove, Marty (North Vancouver)
Subject: Chlorine rates for furtherance on the UP

Marty-

CPRS can offer the following rates for chlorine subject to standard CPRS Tariffs & Conditions (terms similar to our publication CPRS 4550 for handling to the Twin Cities MN):

North Vancouver BC to Chicago IL
\$24,189 US per car

North Vancouver BC to Kansas City MO
\$26,809 US per car

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