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217336
Writer's Direct Access
Martin W. Bercovici
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August 21, 2006

Hon. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423

Re: Albemarle Corporation v. The Louisiana and North West Railroad Company,
STB Docket No. 42097; Response to Board Decision Served August 1, 2006;
PUBLIC VERSION

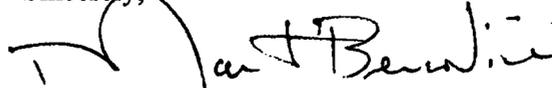
Dear Secretary Williams:

On behalf of Albemarle Corporation we are submitting herewith a Response in accordance with the Board's Decision served August 1, 2006.

The submission accompanying this letter is for the Board's Public files. Separately, we are submitting a Highly Confidential version in accordance with the proposed protective order submitted by the parties with their Report on the Parties' Conference submitted on April 27, 2006.

Your attention to this matter is appreciated.

Sincerely,



Martin W. Bercovici

Enclosure

cc: Edward J. Fishman, Esq. (via electronic mail)

Before the
SURFACE TRANSPORTATION BOARD
Washington, DC 20423

ALBEMARLE CORPORATION v. THE LOUISIANA) Docket No. 42097
AND NORTH WEST RAILROAD COMPANY)

RESPONSE TO BOARD DECISION SERVED AUGUST 1, 2006

Albemarle Corporation ("Albemarle") herewith responds to the direction of the Board contained in its Decision served August 1, 2006 that Albemarle file with the Board copies of its service contracts with Union Pacific Railroad ("UP") and Kansas City Southern Railway ("KCS"), with confidential rate information redacted. The purpose of this submission is to "demonstrate that [Albemarle] has a rail transportation contract in place with another railroad for the non-local portion of the movement," i.e., the route portion which is not served by The Louisiana and North West Railroad Company ("LNW").

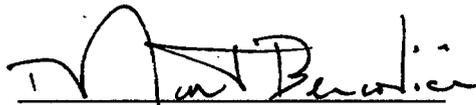
Copies of confidential contracts between Albemarle and the UP, and between Albemarle and the KCS, for line haul transportation service between origin and destination points on the one hand and the respective junctions with the LNW on the other are associated herewith. Further, as stated in Albemarle's Reply to Motion to Dismiss, filed June 19, 2006, Albemarle intends to continue to enter into contracts and to ship under Rule 11 arrangements. The Board has recognized such past shipments and an intent to continue to utilize Rule 11 contracts in conjunction with tariff rates over the bottleneck as qualifying for the bottleneck rate reasonableness policy. *Arizona Elec. Power Coop., Inc. v. The Burlington Northern and Santa Fe Ry. Co.*, STB Docket No. 42058 at 2 (STB, served Dec. 31, 2001).

In addition to the rate information contained in the transportation agreements with UP and KCS being considered confidential, Albemarle considers the commodities and origin/destination points as constituting confidential commercial information. Albemarle and LNW agreed upon a proposed protective order, and submitted said draft order to the Board with their Report on the Parties' Conference Pursuant to 49 C.F.R. § 1111.10(b) on April 27, 2006. While the Board has not yet acted to adopt a protective order, Albemarle is submitting both a public version of this filing with the rate, commodity and origin/destination information redacted and a highly confidential version with only the rate information redacted. Movement information not germane to Albemarle's South Plant also is redacted in both versions.

With the submission of the associated Rule 11 agreements demonstrating the qualification for the bottleneck rate reasonableness procedure, Albemarle Corporation respectfully requests the Surface Transportation Board to DENY the Motion to Dismiss of The Louisiana and North West Railroad Company concerning Albemarle's formal complaint.

Respectfully Submitted,

ALBEMARLE CORPORATION



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behr@khlaw.com
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202-434-4646 (fax)
Its Attorneys

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P.O. Box 841
Magnolia, AR 71754
870-234-6111

Jim L. Julian
CHISENHALL, NESTRUD, & JULIAN P.A.
400 West Capitol, Suite 2840
Little Rock, AR 72201
501-372-5800

August 21, 2006

CERTIFICATE OF SERVICE

I, Martin W. Bercovici, hereby certify that on this 21st day of August, 2006, we have served the foregoing Response to Board Decision Served August 1, 2006 (Public Version) on the following by electronic mail:

Edward J. Fishman
Kirkpatrick & Lockhart Nicholson Graham LLP
1601 K Street, N.W.
Washington, DC 20006-1600
efishman@klngr.com

Attorney for The Louisiana and North West Railroad Company


Martin W. Bercovici

CONFIDENTIAL RAIL TRANSPORTATION CONTRACT

Account of: ALBEMARLE CORP

Term: The Effective Date of this Agreement shall be March 03, 2006; expiring on March 02, 2007.

Reference: All shipping Documents must make reference to KCS 47183 as well as the seven digit STCC (where applicable), Origin, Destination and Equipment Identification Number on their face when tendered to the Origin Carrier.

General Shipment Conditions

- Mileage allowance payments will not apply;
- Price applies in Tank cars;
- Price applies in shipper owned or leased equipment;
- Freight charges must be prepaid;
- Price is subject to KCS tariff 0000009011;
- Price is subject to UFC tariff 0000006000;
- Price is subject to Rule 35 of UFC;
- Price must be used in combination with other prices for the portion of the shipment subsequent to specified destination.
- Separate freight bills will be issued for each price used according to the provisions of Railway Accounting Rule 11;
- Price is subject to fuel surcharge.

Customer
ALBEMARLE CORP (825080096-0000)

Role
PAYER OF FREIGHT

STCC [REDACTED] **Commodity** [REDACTED]

Column **General Rate and Minimum Qualifiers**
All Rate application is per car.

From [REDACTED] **To**
GIBSLAND, LA

Route: CN-BATON-KCS

COL 1	COL 2	COL 3	COL 4
Effective: 03/03/2006			
[REDACTED]			

Notes

Note

For continuance to Ethyl and Magnolia, AR on LNW.

Effective

2006-03-01

Recipients

Recipients

W ILG
ALBEMARLE CORP
Email: walter_ilg@albemarle.com

REVENUE ACCOUNTING
KANSAS CITY SOUTHERN RAILWAY CO
Email: revenue.price.publication@kcsr.com

CAR ACCOUNTING
KANSAS CITY SOUTHERN RAILWAY CO
Email: joe.mcclure@kcsr.com

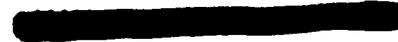
B SOUTHWORTH
KANSAS CITY SOUTHERN RAILWAY CO
Email: william.c.southworth@kcsr.com

KCS Quote:
Account of:

KCS 47226
ALBEMARLE CORP

KANSAS CITY SOUTHERN RAILWAY COMPANY

Applies on the following commodities:



Customer Rates Applying To

ALBEMARLE CORP

Effective: March 27, 2006

Expires: June 30, 2006

Issued By:

KANSAS CITY SOUTHERN RAILWAY COMPANY

427 West 12th Street

Kansas City, Missouri 64105-1403

Lawrence Doolittle, MANAGER CHEMICAL AND PETROLEUM BUSINESS UNIT

Phone: 816-983-1468

Email: LAWRENCE.J.DOOLITTLE@KCSR.COM

CONFIDENTIAL RAIL TRANSPORTATION CONTRACT

Account of: ALBEMARLE CORP

Term: The Effective Date of this Agreement shall be March 27, 2006; expiring on June 30, 2006.

Reference: All shipping Documents must make reference to KCS 47226 as well as the seven digit STCC (where applicable), Origin, Destination and Equipment Identification Number on their face when tendered to the Origin Carrier.

General Shipment Conditions

- Mileage allowance payments will not apply;
- Price applies in Tank cars;
- Price applies in shipper owned or leased equipment;
- Freight charges must be prepaid;
- Price is subject to KCS tariff 0000009011;
- Price is subject to UFC tariff 0000006000;
- Price is subject to Rule 35 of UFC;
- Price must be used in combination with other prices for the portion of the shipment prior to specified origin. Separate freight bills will be issued for each price used according to the provisions of Railway Accounting Rule 11;
- Price is subject to fuel surcharge.

Customer	Role
ALBEMARLE CORP (825080096-0000)	PAYER OF FREIGHT

STCC	Commodity
	[REDACTED]

Column	General Rate and Minimum Qualifiers
All	Rate application is per car.

From	To
GIBSLAND, LA	[REDACTED]

Route: KCS-BMONT-UP

COL 1	COL 2	COL 3	COL 4
Effective: 03/27/2006			
[REDACTED]			

Recipients

Recipients

W ILG
ALBEMARLE CORP
Email: walter_ilg@albemarle.com

REVENUE ACCOUNTING
KANSAS CITY SOUTHERN RAILWAY CO
Email: revenue.pricé.publication@kcsr.com

M MASSARA
UNION PACIFIC CORP
Email: MTMASSAR@up.com

CAR ACCOUNTING
KANSAS CITY SOUTHERN RAILWAY CO
Email: joe.mcclure@kcsr.com

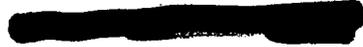
B SOUTHWORTH
KANSAS CITY SOUTHERN RAILWAY CO
Email: william.c.southworth@kcsr.com

KCS Quote:
Account of:

KCS 47226 A
ALBEMARLE CORP

KANSAS CITY SOUTHERN RAILWAY COMPANY

Applies on the following commodities:



Customer Rates Applying To

ALBEMARLE CORP

Effective: May 17, 2006

Expires: August 31, 2006

Issued By:
KANSAS CITY SOUTHERN RAILWAY COMPANY
427 West 12th Street
Kansas City, Missouri 64105-1403
Lawrence Doolittle, MANAGER MARKETING
Phone: 816-983-1468
Email: LAWRENCE.J.DOOLITTLE@KCSR.COM

CONFIDENTIAL RAIL TRANSPORTATION CONTRACT

Account of: ALBEMARLE CORP

Term: The Effective Date of this Agreement shall be May 17, 2006; expiring on August 31, 2006.

Reference: All shipping Documents must make reference to KCS 47226 A as well as the seven digit STCC (where applicable), Origin, Destination and Equipment Identification Number on their face when tendered to the Origin Carrier.

General Shipment Conditions

- Mileage allowance payments will not apply;
- Price applies in Tank cars;
- Price applies in shipper owned or leased equipment;
- Freight charges must be prepaid;
- Price is subject to KCS tariff 0000009011;
- Price is subject to UFC tariff 0000006000;
- Price is subject to Rule 35 of UFC;
- Price must be used in combination with other prices for the portion of the shipment prior to specified origin. Separate freight bills will be issued for each price used according to the provisions of Railway Accounting Rule 11;
- Price is subject to fuel surcharge.

Customer ALBEMARLE CORP (126712202-0000) **Role** PAYER OF FREIGHT

STCC 2899991 **Commodity** CHEMICALS, NEC

Column All **General Rate and Minimum Qualifiers** Rate application is per car.

From GIBSLAND, LA **To** [REDACTED]

Route: KCS-BMONT-UP

COL 1	COL 2	COL 3	COL 4
Effective: 05/17/2006			
[REDACTED]			

Recipients

Recipients

W ILG
ALBEMARLE CORP
Email: walter_ilg@albemarle.com



OTMQ 113154

UNION PACIFIC RAILROAD COMPANY

Quote

Issued:
March 10, 2006

Effective:
March 4, 2006

Rates printed as of (March 10, 2006)

Issued by:
Union Pacific Railroad Company
1400 Douglas Street
Omaha, NE 68179



Please use this number in all correspondence.	CFK
OTMQ 113154	

Form CIRCULAR (REV. 03/06)
CONFIDENTIAL RAIL TRANSPORTATION CONTRACT
PURSUANT TO 49 U.S.C. SECTION 10709

Account Of: ALBEMARLE CORP

Term: The Effective Date of this Agreement shall be March 4, 2006 and it shall expire on May 9, 2006 (Expiration Date).

Reference: All shipping Documents must make reference to OTMQ 113154 as well as the seven digit STCC (where applicable), Origin, Destination and Equipment Identification Number on their face when tendered to the Origin Carrier.

Subject To: Except as otherwise specifically provided herein, shipments are subject to the provisions of Rules Circular UP 6600-Series.

This Agreement is made pursuant to 49 U.S.C. 10709 and shall become binding on the parties upon acceptance by the Customer named above. Customer may accept the terms and conditions of this Agreement either by written notice, or by tender of traffic under its terms. Additionally, it is understood that the terms and conditions of the Rules Circulars specified hereinabove, that are in effect on the Effective Date of this Agreement, are hereby unconditionally incorporated herein and accepted by the parties to govern shipments made hereunder.

Termination: Railroad reserves the right to terminate this Agreement, in whole or in part, by giving the other parties not less than thirty (30) days advance written notice of such termination.

Termination of this Agreement, or any portion thereof, for any reason shall not release any party from any obligations they may have accrued prior to such termination.

Payment Procedures (Freight Charges): Customer shall pay to the billing Railroad the rate(s) set forth herein, and the charges accrued hereunder, in accordance with the credit and collection terms set forth in Uniform Freight Classification 6000-series, Rule 62, as amended from time to time. Rate(s) in this price document are expressed in U.S. currency.

All claims for overcharges or undercharges (including duplicate payments) for freight charges arising under this Agreement must be filed in writing within twelve (12) months from the date of the original freight bill. Any court proceeding to collect an overcharge or an undercharge shall be commenced within six (6) months of the date of written declination of a timely filed claim. Overcharge or undercharge claims or lawsuits for less than \$100.00 per freight bill shall not be filed.

No claim shall be paid if the overcharge or undercharge is found to be under \$100.00 per freight bill

Rate Adjustments: Beginning March 4, 2007, the Quote's Rate(s) will be adjusted Annually, by a ratio, rounded to 4 decimal places, equal to the March 4, 2007 quarter All Inclusive Index Less Fuel (AIIILF) as published by the Association of American Railroads (AAR) or successor organization, divided by the March 4, 2006 quarter AIIILF. Similarly, subsequent annual March 4 adjustments will be calculated by dividing the then current AIIILF by the AIIILF from the same quarter of the immediately preceding year. In no event will the Quote's Rate(s) be decreased.

If the AAR rebases the AIIILF, the rebased values will be used in the adjustment calculations. If the previous period's

AILF value was not restated by the AAR, the parties will restate it with a linking factor. If no methodology is recommended by the AAR, the linking factor will be calculated as the ratio of the AILF as rebased divided by the AILF on the old base for the first period in which the AILF is published on both bases. This ratio will be the linking factor which will be multiplied by the previous period's value in need of restatement before making the current adjustment calculations.

In the event the AAR ceases to publish the AILF, the parties shall determine an appropriate substitute index that most closely matches the structure of the AILF. The substitute index shall be used for the remainder of the contract. If the parties cannot agree on a substitute index within 90 days after the cancellation of the index, any party may submit the matter to be determined by binding arbitration.

Exhibit/Rider: This Agreement hereby incorporates the terms and conditions of the Exhibit and any Rider attached hereto. In the event of a conflict between this Agreement's printed words and the Exhibit and any Rider, the Exhibit and Rider shall govern.

SICC/ROUTE	SICC	DESCRIPTION
[REDACTED]	[REDACTED]	[REDACTED]
General Rate Application Rules for O/TORUS M		
1. Price is subject to fuel surcharge of 1.0 Percent.		

APPLICATION AND RATES			
COLUMN	RATE APPLICATION RULES		
1.	Rates are in U.S. dollars Per Car.		
[REDACTED]	[REDACTED]	[REDACTED]	Route Group
[REDACTED]	[REDACTED]	[REDACTED]	UP
SICC	[REDACTED]	[REDACTED]	[REDACTED]
From:	AR, MCNEIL	[REDACTED]	[REDACTED]
From:	[REDACTED]	[REDACTED]	[REDACTED]
From:	AR, MCNEIL	[REDACTED]	CN, UP
ROUTE CODE	ROUTE GROUP	ROUTE	
UP UP 0		UP	
CN UP 2131		CN -Baton Rouge, LA-UP	



AMENDMENT B
TO
OTMQ 113154

UNION PACIFIC RAILROAD COMPANY

Amended Quote

Issued:
August 16, 2006

Effective:
May 5, 2006

Rates printed as of (August 16, 2006)

Issued by:
Union Pacific Railroad Company
1400 Douglas Street
Omaha, NE 68179



Please use this number in all correspondence.	CFK
OTMQ 113154-B	

AMENDMENT to OTMQ 113154

Account Of: ALBEMARLE CORP

Term: The Effective Date of this Agreement shall be May 5, 2006 and it shall expire on January 15, 2007 (Expiration Date).

Reference: All shipping Documents must make reference to OTMQ 113154-B as well as the seven digit STCC (where applicable), Origin, Destination and Equipment Identification Number on their face when tendered to the Origin Carrier.

Subject To: Except as otherwise specifically provided herein, shipments are subject to the provisions of Rules Circular UP 6600-Series.

This Agreement is made pursuant to 49 U.S.C. 10709 and shall become binding on the parties upon acceptance by the Customer named above. Customer may accept the terms and conditions of this Agreement either by written notice, or by tender of traffic under its terms. Additionally, it is understood that the terms and conditions of the Rules Circulars specified hereinabove, that are in effect on the Effective Date of this Agreement, are hereby unconditionally incorporated herein and accepted by the parties to govern shipments made hereunder.

Termination: Railroad reserves the right to terminate this Agreement, in whole or in part, by giving the other parties not less than thirty (30) days advance written notice of such termination.

Termination of this Agreement, or any portion thereof, for any reason shall not release any party from any obligations they may have accrued prior to such termination.

Payment Procedures (Freight Charges): Customer shall pay to the billing Railroad the rate(s) set forth herein, and the charges accrued hereunder, in accordance with the credit and collection terms set forth in Uniform Freight Classification 6000-series, Rule 62, as amended from time to time. Rate(s) in this price document are expressed in U.S. currency.

All claims for overcharges or undercharges (including duplicate payments) for freight charges arising under this Agreement must be filed in writing within twelve (12) months from the date of the original freight bill. Any court proceeding to collect an overcharge or an undercharge shall be commenced within six (6) months of the date of written declination of a timely filed claim. Overcharge or undercharge claims or lawsuits for less than \$100.00 per freight bill shall not be filed.

No claim shall be paid if the overcharge or undercharge is found to be under \$100.00 per freight bill

TCG GROUP	STCC	DESCRIPTION
[REDACTED]	[REDACTED]	[REDACTED]
General Rate Application Rules for OTMQ 113154-B		
1. Price is subject to fuel surcharge of 1.0 Percent.		

APPLICATION AND RATES			
COLLEGE	RATE APPLICATION RULES	Rate	Rate Code/Group
1.	Rates are in U.S. dollars Per Car.		
[REDACTED]	[REDACTED]	[REDACTED]	UP
From: AR, MCNEIL	[REDACTED]	[REDACTED]	[REDACTED]
From: [REDACTED]	[REDACTED]	[REDACTED]	UP
NOTES - DESCRIPTION			
ROUTE CODE	ROUTE GROUP	ROUTE	
UP UP 0		UP	
CN UP 2131		CN -Baton Rouge, LA-UP	