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February 27, 2007

Via Email

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Part of
Public Record

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

RE: STB Docket No. WCC-101, *Government of the Territory of Guam v. Sea-Land Service, Inc., American President Lines, Ltd., and Matson Navigation Company, Inc.*

Dear Secretary Williams:

Enclosed please find the "Petition for Extension of Time to Reply and to Hold Procedural Schedule in Abeyance" filed by Defendants in the above-captioned proceeding. Defendants request that the Surface Transportation Board give **EXPEDITED CONSIDERATION** to this Petition.

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

Very truly yours,



C. Jonathan Benner

Enclosures

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB FINANCE DOCKET NO. WCC-101

**GOVERNMENT OF THE TERRITORY OF GUAM v.
SEA-LAND SERVICE, INC., AMERICAN PRESIDENT LINES, LTD.,
AND MATSON NAVIGATION COMPANY, INC.**

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**PETITION FOR EXTENSION OF TIME TO REPLY
AND TO HOLD PROCEDURAL SCHEDULE IN ABEYANCE**

EXPEDITED CONSIDERATION REQUESTED

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February 27, 2007

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB FINANCE DOCKET NO. WCC-101

**GOVERNMENT OF THE TERRITORY OF GUAM v.
SEA-LAND SERVICE, INC., AMERICAN PRESIDENT LINES, LTD.,
AND MATSON NAVIGATION COMPANY, INC.**

**PETITION FOR EXTENSION OF TIME TO REPLY
AND TO HOLD PROCEDURAL SCHEDULE IN ABEYANCE**

Pursuant to 49 C.F.R. §§ 1104.7(b) and 1117.1, Horizon Lines, LLC¹ and Matson Navigation Company, Inc. (together "Defendants") respectfully submit this "Petition for Extension of Time to Reply and to Hold Procedural Schedule in Abeyance" ("Petition"). As explained below, good cause exists for the Surface Transportation Board ("STB" or "Board") to grant the relief requested herein. **Expedited consideration** of this Petition is necessary because of the interruption of the Board's operations between February 28, 2007 and March 4, 2007, pursuant to its move to new quarters.²

I. Request for Extension of Time.

Defendants request a brief extension of time to reply to the "Petition for Reconsideration and for Clarification" filed on February 16, 2007 by Intervenor, Caribbean Shippers Association.

¹ Horizon Lines, LLC is the successor-in-interest to Sea-Land Service, Inc., one of the originally-named Defendants in this proceeding.

² See STB Ex Parte No. 668, Surface Transportation Board—2007 Office Relocation Business Plan, (Served Feb. 22, 2007).

Inc. (respectively, "CSA Petition" and "CSA"), so that they can simultaneously reply to the "Petition for Reconsideration" filed on February 22, 2007 by Complainant, the Government of the Territory of Guam (respectively "GovGuam Petition" and "GovGuam"). Pursuant to 49 C.F.R. § 1104.13(a), Defendants' reply to the former petition is due by March 8, 2007. A reply to the latter is due by March 14, 2007. Because the GovGuam Petition largely encompasses the primary issue raised in the CSA Petition, Defendants submit that it would be more practical and efficient to prepare and submit a single reply, addressing all of the issues raised in both petitions, rather than respond to each petition separately. Moreover, Defendants believe that submission of one reply will facilitate the Board's orderly consideration of the issues presented for reconsideration, and promote a speedier resolution.³ See 49 U.S.C. § 10101(2) and (15). Additionally, Defendants note that they have conferred with counsel for CSA regarding this request, and that CSA's counsel has authorized Defendants to state that CSA does not object. Accordingly, good cause exists for the Board to extend the deadline for Defendants to reply to the CSA Petition until March 14, 2007, so that they can reply simultaneously, in one filing to both petitions.⁴

II. Request to Hold Procedural Schedule in Abeyance.

In light of the foregoing petitions for reconsideration, which raise both procedural and substantive issues, Defendants request that the Board hold in abeyance the procedural schedule issued in Phase II of this case, served on February 2, 2007 ("Phase II Decision"), until after the

³ When warranted by similar, practical circumstances, the Board has regularly granted extensions of time. See STB Docket NOR 42072, Carolina Power & Light Co. v. Norfolk Southern Railway Co., 2002 STB LEXIS 338 (Served May 29, 2002); STB Docket NOR 42071, Otter Tail Power v. The Burlington Northern and Santa Fe Railway Co., 2005 STB LEXIS 39 (Served Jan. 18, 2005).

⁴ Defendants' request for an extension of time is timely under 49 C.F.R. § 1104.7(b).

Board rules on the petitions for reconsideration, and Defendants also suggest that the Board issue a revised procedural schedule when it issues that ruling. Since the service date of that decision, Defendants have been working diligently to prepare and submit their evidence of effective competition in the Guam Trade by the March 19, 2007 deadline. Now, because of the two petitions filed by CSA and GovGuam, Defendants face the additional burden of preparing two separate replies before that same deadline. Necessarily, the Defendants must sacrifice time, energy, and resources from each submission in order to prepare the others, and, as a direct result, each will suffer. Holding the procedural schedule in abeyance, until the Board's resolution of the issues presented for reconsideration, would avert the severe prejudice that the Defendants will otherwise face at this key juncture in this case.

From a practical standpoint, the requested relief will promote a fair and expeditious decision in this proceeding. See 49 U.S.C. § 10101(2). In its petition, GovGuam has asked the Board to reconsider its bifurcation of Phase III and to allow additional discovery (among other things). In all likelihood, the Board will not issue a decision on the merits of the GovGuam Petition, until after the due date for Defendants' evidence of effective competition. While Defendants believe that both petitions are without merit and intend to vigorously oppose reconsideration of the Phase II Decision, they presently find themselves in the untenable and disadvantageous position of submitting crucial evidence by March 19th to conform to a STB order that might be revised. Indeed, if the Board allowed additional discovery in this case or otherwise altered its Phase II Decision, then, at a minimum, Defendants would require the opportunity to supplement their March 19th submission. Plainly, for the benefit of the Board and for the parties, it simply makes sense to hold the Phase II Decision procedural schedule in abeyance, pending the Board's resolution of the issues presented for reconsideration. Again,

while Defendants will oppose the positions advanced by GovGuam and CSA and urge denial of the petitions, holding the matter in abeyance will ensure that the Board ultimately receives a fully-developed evidentiary presentation. Defendants, of course, hope that any delay to resolution of this proceeding is minimal, particularly given the time that has elapsed since the filing of GovGuam's complaint. Defendants nonetheless respectfully submit that orderly disposition of the issues raised by the petitions compels a brief and limited postponement of submissions in Phase III.

Defendants have conferred with counsel for both CSA, and GovGuam, and have been authorized by such counsel to state that neither party objects to holding the procedural schedule in abeyance until the Board serves a decision on the petitions for reconsideration.

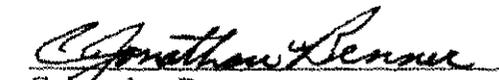
III. Conclusion.

For the foregoing reasons, good cause exists for the Board to extend Defendants' time to reply to the CSA Petition to March 14, 2007, and to hold the procedural schedule in abeyance, as requested herein. Defendants respectfully request that the Board grant the relief requested herein.

Respectfully submitted,


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Counsel for Horizon Lines, LLC

CERTIFICATE OF SERVICE

I hereby certify that on February 27, 2007 a copy of the foregoing "Petition for Extension of Time to Reply and to Hold Procedural Schedule in Abeyance" was served by email upon:

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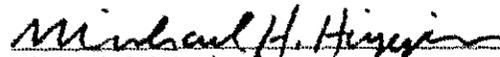
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