



SIDLEY AUSTIN LLP
1501 K STREET, N.W.
WASHINGTON, D.C. 20005
(202) 736 8000
(202) 736 8711 FAX

phemmersbaugh@sidley.com
(202) 736 8538

BEIJING
BRUSSELS
CHICAGO
DALLAS
FRANKFURT
GENEVA
HONG KONG
LONDON
LOS ANGELES

NEW YORK
PALO ALTO
SAN FRANCISCO
SHANGHAI
SINGAPORE
SYDNEY
TOKYO
WASHINGTON, D.C.

FOUNDED 1866

December 14, 2010

Via Electronic Filing

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

Re: *M&G Polymers USA, LLC v. CSX Transportation, Inc., et al*, STB Dkt. No. 42123

Dear Ms. Brown:

We represent Defendant CSX Transportation, Inc. (“CSXT”) in the above-captioned rate case. We write to state CSXT’s position concerning the First Amended Complaint filed by Complainant M&G Polymers USA, LLC (“M&G”). M&G filed its Complaint on June 18, 2010, and CSXT filed an Answer to that Complaint on July 8, 2010. On October 18, 2010, M&G submitted a Motion for Leave to File an Amended Complaint. M&G’s proposed amended complaint added the South Carolina Central Railroad Company as a defendant and altered certain information for three challenged lanes listed in the Exhibits to the original Complaint. The Board recently granted M&G’s Motion for Leave to File an Amended Complaint. *See* Decision, *M&G v. CSXT*, STB Docket No. 42123 (served Nov. 24, 2010) (“Decision”). Based upon the Decision, and the lack of new substantive allegations against CSXT in the First Amended Complaint, CSXT believes it is not necessary for it to file an additional Answer. To avoid confusion, however, CSXT submits this letter summarizing its position and response to the First Amended Complaint.

The principal differences between the First Amended Complaint and the original Complaint consist of changes to three of the movements whose rail transportation rates M&G challenges in this case, and the addition of the South Carolina Central Railroad Company as a defendant. Because the Decision did not order CSXT to file another Answer, CSXT understands that the Board does not believe a further Answer by CSXT to the First Amended Complaint is necessary or appropriate. Unless the Board advises CSXT that a new Answer is necessary, CSXT will rely upon its Answer to the allegations of M&G’s original Complaint, with the following additional clarifications.

Cynthia T. Brown
December 14, 2010
Page 2

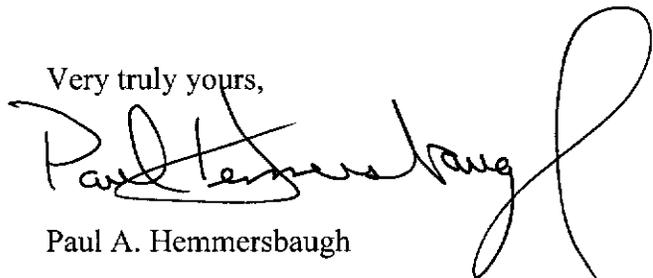
First, the changes to challenged movements are set forth in the exhibits to the First Amended Complaint, which do not require a responsive pleading. CSXT did not expressly discuss the parallel exhibits in its Answers to the two prior Complaints, and it does not believe any additional response is necessary or appropriate. This does not mean that CSXT agrees with the information set out in those exhibits, and CSXT reserves its rights to contest any of the information set forth in those exhibits, including any allegations or conclusions (express or implied) they may contain. To the extent a response to those exhibits might be deemed to be required, CSXT denies all allegations in the exhibits to the First Amended Complaint.

Second, CSXT lacks information sufficient to admit or deny the new allegations concerning the added Defendant, including paragraph 3 of the First Amended Complaint. To the extent a response to those additional allegations paragraphs might be required, CSXT denies those allegations.

Finally, CSXT reiterates its position that, as a matter of law and due process, a rate reasonableness determination (and, *a fortiori*, any rate prescription) concerning a line haul rate established by a carrier other than CSXT may be made only if that other carrier is a party to the case. And, any rate prescription for another carrier's segment of a joint line movement (*e.g.*, a short line that provides line haul rail transportation service on the segment in question) may only be applied to that other carrier, and would not be enforceable against CSXT.

If the Board has questions concerning this letter or requires additional information, please contact the undersigned counsel to CSXT.

Very truly yours,

A handwritten signature in black ink, appearing to read "Paul Hemmersbaugh", with a large, stylized flourish extending from the end of the name.

Paul A. Hemmersbaugh

cc: Jeffrey T. Moreno
Louis E. Gitomer

CERTIFICATE OF SERVICE

I hereby certify that on this 14th day of December, 2010, I caused a copy of the foregoing letter to be served on the following parties by electronic mail, postage prepaid or more expeditious means of delivery:

Jeffrey O. Moreno
Sandra L. Brown
David E. Benz
Thompson Hine LLP
1920 N Street, NW, Suite 800
Washington, DC 20036

Louis E. Gitomer, Esq.
Law Offices of Louis E. Gitomer
600 Baltimore Avenue Suite 301
Towson, MD 21204



Eva Mozena Brandon