MR. SHUDTZ: Well, first if I could address, Vice Chairman, your comment about the additional rental. We just follow the procedure that has been employed for years here at the Board as to disclosure of additional rental provisions. And my only point is that I think if you compare that with anyone, any additional rental provision that other people talk about, you will see that this is a very
low figure and one that is intentionally designed by
CSX not to be a restraint of competition. We
understand what the arguments are concerning paper
barriers, and I think if you look at these rates
compared to others you will see that this is a very
marginal, very minor rate.

Second, as to why we chose this style of
transaction, under the lease, Buckingham Branch will
be in control of the line and its maintenance and its
operation. That's the transaction that we have
designed and how we wanted to progress the
transaction. We have no desire to have Mr. Bryant
there buy local trackage rights. We want him to be in
charge of the property so the customers have a new
entity to deal with on this light density line.

Our reservation and trackage rights are
clear. They are for limited purposes and moving of
empties and even as Mr. Edelman said, they compliment
the CSX's movement of loaded trains on the James River
division to the south and return empty movements on
the north. Again, ultimately the line could be
rationalized. I'm not sure how that serves everyone's
interests, but the empties could be moved on the James River division with improvements on the James River division. But we're not sure how that serves anyone's interests.

VICE CHAIRMAN MULVEY: Thank you. That's all I have.

CHAIRMAN NOBER: I just have one follow-up question. Mr. Edelman, in response to my question said, "If you look at all of the different factors, the lease is not a lease." That's their argument. Don't take anyone individually. Look at them all and the totality of all circumstances here and this is not a lease. How do you respond to that?

MR. SHUDTZ: He's wrong. This is a lease. It's a lease by its terms. It's for a customary term of years. It has customary rental provisions. It has all the customary provisions of a lease. We have a reservation of trackage rights. That is what he is claiming, that somehow you can't have a lease and a reservation of trackage rights.

But we've seen those transactions over and over since 1940 from this Board. I might add that you
have joint uses here. There are all sorts of arrangements that are covered under 113(23. Call it a lease. Call trackage rights. Call it a joint use. We are here under that jurisdiction for an approval of a transaction and all of these fine points.

MR. O'BRIEN: If I could just add one thought to that. Mr. Bryant has indicated to me that for the customers, it is extremely important that that lease have that long term. They are making investments in themselves in terms of availing themselves of rail service and it's been very important to them that this lease be as long term as it is currently structured.

CHAIRMAN NOBER: I have no further questions.

VICE CHAIRMAN MULVEY: No more.

COMMISSIONER BUTTREY: None.

CHAIRMAN NOBER: Thank you very much.

VICE CHAIRMAN MULVEY: Thank you.

COMMISSIONER BUTTREY: Thank you.

CHAIRMAN NOBER: Again, thank you all very much and again I want to thank all the parties for
their presentations today and their good arguments and
for giving us a lot to consider. With that, the Board
stands adjourned. Off the record.