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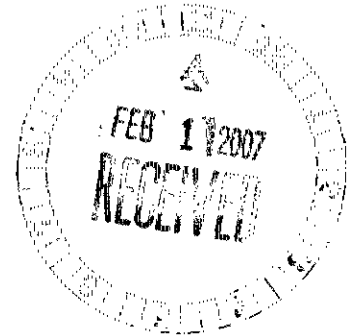
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January 30, 2007



Attn: Secretary
Surface Transportation Board
1925 "K" Street NW
Suite 700
Washington DC 20423

ENTERED
Office of Proceedings

FEB 01 2007

Part of
Public Record

RE: Savannah Port Terminal Railroad, Inc. – Petition for Declaratory Order-
Certain Rates & Practices as Applied to Capital Cargo, Inc.
STB Docket No. FD34920

21858

Dear Secretary:

Please find enclosed an original and ten (10) copies of Savannah Port Terminal Railroad's ("SPTR") Answer to Capital Cargo's Cross Claim against SPTR. Should you have any questions, please do not hesitate to contact me. A copy has been provided to opposing counsel.

Sincerely,

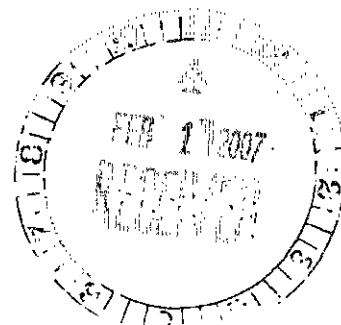

P. Campbell Ford

Enclosure/

Original Answer
10 Copies of Answer

C: Ron Berry, Esquire (1 copy only)
James T. Kilbreth, Esquire (1 copy only)
Thomas Mahoney III, Esquire (1 copy only)

**BEFORE THE
SURFACE TRANSPORTATION BOARD**



DOCKET NO.: FD34920

**SAVANNAH PORT TERMINAL RAILROAD, INC. –
PETITION FOR DECLARATORY ORDER**

**PETITIONER'S, SAVANNAH PORT TERMINAL RAILROAD, INC., ANSWER
TO RESPONDENT'S, CAPITAL CARGO, INC., CROSS COMPLAINT**

**P. Campbell Ford, Esq.
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904-390-1970 (telephone)
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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

DOCKET NO.: FD34920

**SAVANNAH PORT TERMINAL RAILROAD, INC. –
PETITION FOR DECLARATORY ORDER**

**SAVANNAH PORT TERMINAL RAILROAD, INC.'S, ANSWER TO CAPITAL
CARGO, INC.'S CROSS COMPLAINT**

Pursuant to 49 C.F.R. 1111.4, Savannah Port Terminal Railroad, Inc. ("SPTR") submits this Answer to the Surface Transportation Board ("STB") in response to Respondent's, Capital Cargo, Inc. ("Capital Cargo"), Cross Complaint, and replies to Capital Cargo's Cross Complaint as follows:

1. SPTR admits that Capital Cargo is engaged in the shipping and terminal business and leased a certain facility from the Georgia Ports Authority ("GPA") located at 250 Brampton Road, Garden City, Georgia, but denies all other allegations stated in Paragraph 1.

2. SPTR denies all allegations stated in Paragraph 2.

3. SPTR denies all allegations stated in Paragraph 3, and further states any “expectations” Capital Cargo may have had are not reflected in any contract and are irrelevant as “expectations” are not the terms and conditions of any contract.

4. SPTR denies all allegations set forth in Paragraph 4.

5. SPTR is without any knowledge of GPA’s operations, and denies any allegations stated in Paragraph 5.

6. SPTR admits that GPA and SPTR entered into an Easement Agreement, to which Capital Cargo was not a party. SPTR further states that the Easement Agreement speaks for itself. SPTR denies all other allegations of obligations Capital Cargo may be implying.

7. SPTR denies Paragraph 7 of the Cross Complaint.

8. SPTR denies all allegations set forth in Paragraph 8 and further states that Capital Cargo was charged demurrage pursuant to the two applicable tariffs.

9. SPTR denies all allegations set forth in Paragraph 9.

10. SPTR denies the allegations set forth in Paragraph 10.

11. SPTR denies all allegations set forth in Paragraph 11.

12. SPTR denies all allegations set forth in Paragraph 12, and further states that SPTR does not have a contract with Capital Cargo, as evidenced by Capital Cargo’s failure to attach any contract to its Cross Complaint.

13. SPTR denies all allegations set forth in Paragraph 13, and further states that SPTR charged demurrage under the two applicable tariffs, both of which explain how

demurrage is charged. Capital Cargo was aware of the procedure for charging demurrage and had paid demurrage under these tariffs previously.

14. SPTR denies all allegations set forth in Paragraph 14.
15. SPTR denies all allegations set forth in Paragraph 15.
16. SPTR denies all allegations set forth in Paragraph 16.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

Capital Cargo's Cross Claim fails to state a claim upon which relief may be granted.

SECOND AFFIRMATIVE DEFENSE

The issues raised in Capital Cargo's cross claim have already been resolved by a settlement agreement reached by the parties and are therefore moot.

THIRD AFFIRMATIVE DEFENSE

There is no contract between SPTR and Capital Cargo upon which Capital Cargo can bring a claim for breach of contract against SPTR.

FOURTH AFFIRMATIVE DEFENSE

Without a contract with SPTR, there is no basis for Capital Cargo to bring an action against SPTR.

FIFTH AFFIRMATIVE DEFENSE

Capital Cargo cannot even bring a claim for breach of contract until it satisfies the notice prerequisites as set forth in Article 19 of its Lease with the GPA.

SIXTH AFFIRMATIVE DEFENSE

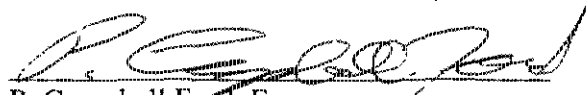
Capital Cargo's claims are barred, in whole or in part, for lack of jurisdiction in the Surface Transportation Board.

SEVENTH AFFIRMATIVE DEFENSE

Capital Cargo's claims are barred, in whole or in part, by Capital Cargo's failure to mitigate its alleged damages.

VERIFICATION

The undersigned attorney declares under penalty of perjury that the foregoing is true and correct and that that he is qualified and authorized to file this pleading. Executed on January 30, 2007.

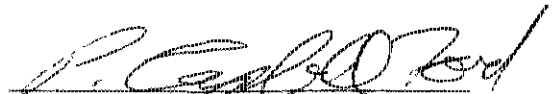

P. Campbell Eord, Esq.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing has been furnished to Secretary Surface Transportation Board, 1925 "K" Street NW, Suite 700, Washington, DC 24023 via overnight mail and to Daniel L. Rosenthal, Verrill Dana LLP, P.O. Box 586, One Portland Square, Portland, ME 04112-0586 via U.S. Regular Mail on this 30th day of January, 2007.

Dated: January 30, 2007

Respectfully submitted,



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Inc., and Savannah Port Terminal
Railroad, Inc.