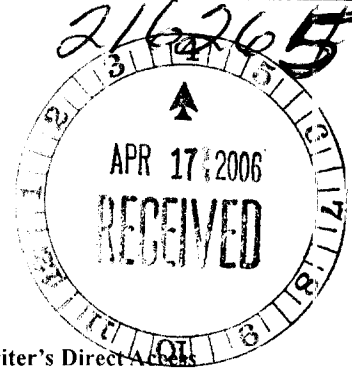


1001 G Street, N.W.
Suite 500 West
Washington, D.C. 20001
tel. 202.434.4100
fax 202.434.4646



April 17, 2006

ENTERED
Office of Proceedings

APR 1 2006

Part of
Public Record

Writer's Direct Access
Martin W. Bercovici
(202) 434-4144
bercovici@khlaw.com

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

Re: Albemarle Corporation v. The Louisiana and North West Railroad Company,
Docket No. 42097

Dear Secretary Williams:

Enclosed, please find for filing in the above-captioned docket an original and ten (10) copies of the Formal Complaint of Albemarle Corporation. Also enclosed is a disk containing the Complaint, and Albemarle Corporation's check in the amount of the requisite filing fee in accordance with 49 C.F.R. § 1002.2(f)(56)(i).

Please date stamp and return to the bearer of this letter an additional copy of the Complaint tendered herewith to evidence Board receipt of this Formal Complaint.

Your attention to this matter is appreciated.

Sincerely,

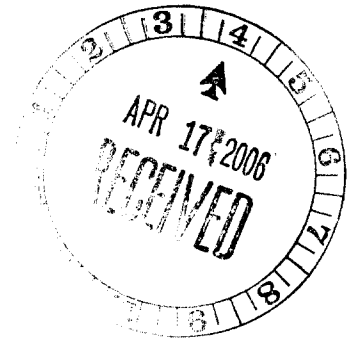
Martin W. Bercovici

cc: Edward J. Fishman, Esq.

FILED
APR 17 2006
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
APR 17 2006
SURFACE
TRANSPORTATION BOARD

**Before the
SURFACE TRANSPORTATION BOARD
Washington, DC 20423**



**ALBEMARLE CORPORATION v. THE LOUISIANA)
AND NORTH WEST RAILROAD COMPANY)**

Docket No. 42097

FORMAL COMPLAINT

ALBEMARLE CORPORATION

Of Counsel:
Ronny J. Bell
BELL LAW FIRM, P.A.
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

Martin W. Bercovici
bercovici@khlaw.com
Douglas J. Behr
behr@khlaw.com
KELLER AND HECKMAN LLP
1001 G Street, N.W.
Suite 500 W
Washington, DC 20001
202-434-4144
202-434-4646 (fax)
Its Attorneys

April 17, 2006

**Before the
SURFACE TRANSPORTATION BOARD
Washington, DC 20423**

**ALBEMARLE CORPORATION v. THE LOUISIANA) NOR-42097
AND NORTH WEST RAILROAD COMPANY)**

Albemarle Corporation ("Albemarle") respectfully submits this Formal Complaint concerning the reasonableness of certain line haul rates and charges of The Louisiana and North West Railroad Company ("LNW"). This Complaint is submitted pursuant to 49 U.S.C. §§ 10701, 10702 and 10704 and in accordance with 49 C.F.R. Part 1111.

I. The Parties

Albemarle is a Virginia corporation, with administrative offices located at 451 Florida Street, Baton Rouge, Louisiana, 70801. Albemarle operates chemical production facilities including, as pertinent to this Petition, its "South Plant" located approximately 7 miles south of Magnolia, Arkansas.

LNW is a Louisiana corporation, headquartered at 340 West Main Street, Homer, LA 71040. LNW is a railroad common carrier that operates rail freight transportation service between McNeil, Arkansas, where it interchanges with the Union Pacific Railroad ("UP"), and Gibsland, Louisiana, where it interchanges with The Kansas City Southern Railway ("KCS"), a distance of approximately 62.6 miles. LNW's route of service includes Albemarle's South Plant.

II. Background

Albemarle produces bromine and bromine-related products at its South Plant. The plant operates 24 hours per day, 7 days per week. Albemarle both ships and receives products by rail,

utilizing the LNW which is the sole rail carrier serving Albemarle's plant. While Albemarle's predominant use of rail transportation service is for the receipt of inbound raw materials, and for switching service, car storage and weighing, Albemarle also utilizes LNW for delivery of some outbound shipments as required by its customers. Albemarle receives approximately 1,300 rail car shipments per year, of which approximately 600 are chlorine cars.

Following the Thanksgiving-eve delivery by LNW to Albemarle of notification of termination of pipeline rights-of-way, lease track arrangements and switching services, Albemarle and LNW have had a contentious relationship. The background and facts relating to said dispute are set forth in Albemarle's Petition for Declaratory Order and First Amendment to Petition for Declaratory Order in STB Docket No. 42096.

In early February, 2006, Albemarle was informed by one of its suppliers that rail rates for service to the South Plant were being increased substantially, and this increase was attributed at least principally, if not entirely, to LNW having increased its revenue requirements as presented to the originating carrier. This was confirmed shortly thereafter when LNW notified Albemarle that it was amending its tariff setting forth linehaul rates for service between the plant and LNW's junctions with KCS and UP. It is obvious to Albemarle that the increases imposed by LNW in the linehaul rates, and the level of the linehaul rates, are directly related to LNW's efforts to impose economic harm on Albemarle and to force Albemarle to accede to LNW's exorbitant switching and storage fees.¹ Absent intervention by this Board, LNW will be in a position to either capture all of the economic benefit of Albemarle's South Plant for itself, or to force closure of the plant to the detriment of Albemarle. LNW's Freight Tariff LNW 4030-A, issued February 17, 2006, and effective March 15, 2006, is associated herewith as

¹ LNW's increase in tariff charges applied only to traffic destined to or going from Albemarle's plant. The rates for movements to and from the SMI Steel plant at Magnolia, Arkansas, which already were \$1,000.00-1,200.00 per car lower than the rates applicable to Albemarle's plant, were not changed.

Exhibit 1. In addition, LNW's linehaul rates are subject to a fuel surcharge tariff, Freight Tariff LNW 9501 and Freight Tariff LNW 9501 Supplement 1, which together are associated herewith as Exhibit 2.

Albemarle met with LNW senior management in early December, 2005 following the Thanksgiving-eve notices of termination of agreements for pipeline rights-of-way, lease track and switching service and again in January, 2006 after commencement of judicial proceedings described in the STB Docket No. 42096 pleadings in an effort to reach a mutually acceptable commercial arrangement. Not only were the parties unable to reach agreement, but it was shortly following the January meeting and the hearing in Federal District Court in El Dorado, Arkansas, that LNW increased its linehaul rates which are the subject of this Complaint. Mediation is scheduled to occur on April 24 and 25, 2006; however, considering the previous position of LNW in January regarding settlement, Albemarle is not optimistic that the mediation will produce a mutually agreeable settlement. In light of the Board's Decision served March 20, 2006 in STB Ex Parte No. 542 (Sub-No. 130), *Regulations Governing Fees for Services Performed in Connection with Licensing and Related Services-2006 Update*, in which the Board substantially increased the filing fee for a formal complaint effective April 19, 2006, Albemarle is submitting this complaint rather than awaiting the outcome of the mediation.

Albemarle has shipped materials both to its South Plant and from its South Plant, from and to points on the KCS and the UP, pursuant to LNW's Tariff 4030-A for the movements between the plant and the interchange points and pursuant to contracts entered into separately with the KCS and the UP pursuant to 49 U.S.C. § 10709 for the segments of the movements between the interchanges with LNW and the distant origin/destination points.

III. Market Dominance

LNW has market dominance over the transportation subject to this complaint due to the absence of effective competition for the transportation to which these rates apply. LNW is the only railroad serving Albemarle's South Plant. Albemarle's volume of railroad traffic exceeds 1300 cars annually, an overwhelming portion of which consists of regulated hazardous materials, including a large volume of chlorine. The safest and most environmentally preferable way to transport hazardous materials is by rail. Accordingly, not only is truck transportation not suitable for said movements, many of which are long haul in nature, but also neither is truck capacity available to supplant rail service nor could the plant accommodate the volume of trucks which would be needed to replace rail service. In addition, the revenue-to-variable cost ratios for the rates charged by LNW substantially exceed 180%, the jurisdictional threshold established pursuant to 49 U.S.C. § 10707(d).

IV. Issues Presented

The issues presented by this Complaint are whether the rates imposed by LNW in its Freight Tariff LNW 4030-A for transportation service for chemicals or allied products and for petroleum refining products between Ethyl, AR and the junctions with the Kansas City Southern Railway at Gibsland, LA and with the Union Pacific Railroad at McNeil, AR, as modified by LNW's fuel surcharge tariff, Freight Tariff LNW 9501 and Supplement 1 thereto, and any superseding tariffs which may be issued by LNW during the pendency of this proceeding, are reasonable and lawful under 49 U.S.C. §§ 10701(d)(1) and 10702, and whether the application of a fuel surcharge which is arbitrary in nature, varies according to connecting carrier, and is based solely on the fuel surcharge applied by the connecting carrier which has a separate

transportation arrangement with Albemarle, is reasonable and lawful under 49 U.S.C. §§ 10701 and constitutes a reasonable practice under 49 U.S.C. §§ 10702.

LNW's linehaul rates are subject to challenge in and of themselves, without reference to the linehaul rates of KCS and UP, in accordance with the Board's policies adopted in *Central Power & Light Co. v. Southern Pac. Transp. Co.*, 1 S.T.B. 1059 (1996), *clarified*, 2 S.T.B. 235 (1997), *aff'd sub nom. MidAmerican Energy Co. v. STB*, 169 F.3d 1099 (8th Cir. 1999), *reh'g denied* (Apr. 20, 1999), *cert. denied sub nom. Western Coal Traffic League v. STB*, 528 U.S. 950 (1999).

V. Relief Sought and Procedure

Albemarle Corporation respectfully requests the Surface Transportation Board (i) to initiate a proceeding and to determine that the rates and charges set forth in Freight Tariff 4030-A of The Louisiana and North West Railroad Company applicable to line haul movement of chemicals and petroleum products between Albemarle's South Plant at Ethyl, Arkansas and LNW's interchange points with the Kansas City Southern Railway Company at Gibsland, Louisiana and with the Union Pacific Railroad at McNeil, Arkansas, as modified by LNW's fuel surcharge tariff, Freight Tariff 9501 and Supplement 1 thereto, are unjust, unreasonable and unlawful, and that LNW's fuel surcharge tariff which adopts the fuel surcharge of the connecting carrier is unreasonable and unlawful and that the adoption of the connecting carriers' fuel surcharges for LNW's service which is independently priced both results in an unreasonable and unlawful rate and constitutes an unreasonable and unlawful practice, (ii) to prescribe rates for the future, (iii) to order the payment of reparations to Albemarle for all movements made pursuant to LNW's linehaul tariffs for the statutory period allowed under the

ICC Termination Act of 1995, and (iv) to grant such other relief as the Board may deem appropriate, based on the record.

Albemarle Corporation intends to utilize the constrained market pricing standard of the Board to address the rate reasonableness issues.

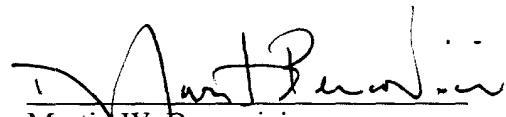
Albemarle requests consolidation of this Complaint with the STB Docket No. 42096 proceeding for the convenience of the parties and of the Board.

Associated with this Complaint is a Declaration of Danny Wood, Supply Chain Manager of Albemarle Corporation, located at the South Plant, attesting that the foregoing facts are true and correct.

Neither this proceeding nor the granting of the relief requested herein will constitute a major federal action significantly affecting the environment or the conservation of energy resources.

Respectfully Submitted,

ALBEMARLE CORPORATION



Martin W. Bercovici
bercovici@khlaw.com

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1001 G Street, N.W.

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Washington, DC 20001

202-434-4144
202-434-4646 (fax)
Its Attorneys

Of Counsel:
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Magnolia, AR 71754
870-234-6111

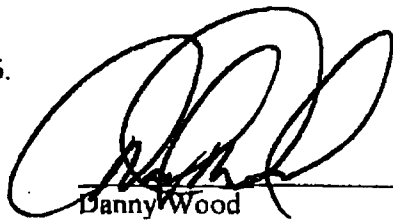
Jim L. Julian
CHISENHALL, NESTRUD, & JULIAN P.A.
400 West Capitol, Suite 2840
Little Rock, AR 72201
501-372-5800

April 17, 2006

Declaration of Danny Wood

I, Danny Wood, declare under penalty of perjury that I am the Supply Chain Manager of Albemarle Corporation, located at the South Plant, near Magnolia, Arkansas, that I have read the foregoing Formal Complaint, and the facts stated therein are true and correct based on my knowledge and information. Further, I certify that I am qualified and authorized to make this statement.

Executed on this 13th day of April, 2006.



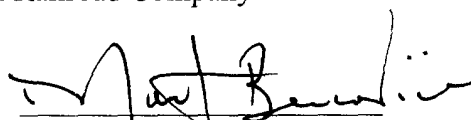
Danny Wood

CERTIFICATE OF SERVICE

I, Martin W. Bercovici, hereby certify that on this 17th day of April, 2006, we have served the foregoing Formal Complaint on the following by electronic mail and by hand delivery:

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

* The Louisiana and North West Railroad Company is not known to have a chief legal officer for service as prescribed at 49 C.F.R. § 1111.3. Mr. Fishman is counsel of record for LNW in the STB Docket No. 42096 proceeding and is being served inasmuch as this is a related proceeding.

Exhibit 1

THE LOUISIANA AND NORTH WEST RAILROAD COMPANY

FREIGHT TARIFF LNW 4030-A
(Cancels Freight Tariff LNW 4030)

**NAMING
PRICES
ON
Chemicals;
Iron or Steel Billets;
Petroleum or Petroleum Products;
Plastics, Synthetic**

FROM	TO	PRICE
STATIONS ON LNW	STATIONS ON LNW	See Attached Price Exhibit

Governed, except as otherwise provided herein, by the Official Railroad Station List, OPSL 6000-series, Railinc, Agent, supplements thereto or successive issues thereof.

Explanation of References - (D) - Decrease (I) - Increase (NC) - No Change (PT) - Per Ton of 2,000 lbs. (PC) - Per Car.

ISSUED: 02-17-2006

EFFECTIVE: 03-15-2006
(Except as otherwise provided)

ISSUED BY:

**G. L. White
Marketing Manager
The Louisiana and North West Railroad Company
210 West Main
Homer, LA 71040**

(The provisions published herein, if effective, will not result in an effect on the quality of the human environment.)

PRICE EXHIBIT for TARIFF LNW 4030-A
PRICES IN DOLLARS PER 100 POUNDS, EXCEPT AS NOTED

Price Sheet
1,000

STCC#	COMMODITY-ORIGIN-DESTINATION-ROUTE-PRICE-MINIMUM WEIGHT
28 000 00 thru 28 999 99	Chemicals or allied products.
	FROM: ETHYL AR TO: GIBSLAND LA Route: LNW-LNW 0 LNW Direct Price is subject to Tariff UFC 6000-series. Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$3,700.00(PC)(1)
	FROM: ETHYL AR TO: McNEIL AR Route: LNW-LNW 0 LNW Direct Price is subject to Tariff UFC 6000-series. Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$3,000.00(PC)(1)
	FROM: GIBSLAND LA TO: ETHYL AR Route: LNW-LNW 0 LNW Direct Price is subject to Tariff UFC 6000-series. Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$3,700.00(PC)(1)
	FROM: GIBSLAND LA TO: McNEIL AR Route: LNW-LNW 0 LNW Direct Price is subject to Tariff UFC 6000-series. Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$3,800.00(PC)(1)
	FROM: McNEIL AR TO: ETHYL AR Route: LNW-LNW 0 LNW Direct Price is subject to Tariff UFC 6000-series. Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$3,000.00(PC)(1)
	FROM: McNEIL AR TO: GIBSLAND LA Route: LNW-LNW 0 LNW Direct Price is subject to Tariff UFC 6000-series. Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$3,800.00(PC)(1)
28 211 00 thru 28 211 99	Plastic materials or synthetic resins or nonvulcanizable elastomers.
	FROM: GIBSLAND LA TO: STATIONS ON LNW Route: LNW-LNW 0 LNW Direct Price is subject to Tariff UFC 6000-series. Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$3,500.00(PC)(1)
	FROM: McNEIL AR TO: STATIONS ON LNW Route: LNW-LNW 0 LNW Direct Price is subject to Tariff UFC 6000-series. Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$3,200.00(PC)
	FROM: STATIONS ON LNW TO: GIBSLAND LA Route: LNW-LNW 0 LNW Direct Price is subject to Tariff UFC 6000-series. Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$3,500.00(PC)(1)
	FROM: STATIONS ON LNW TO: McNEIL AR Route: LNW-LNW 0 LNW Direct Price is subject to Tariff UFC 6000-series. Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$3,200.00(PC)

For explanation of ABBREVIATIONS and REFERENCE MARKS not explained herein, see concluding pages of this tariff.

PRICE EXHIBIT for TARIFF LNW 4030-A
PRICES IN DOLLARS PER 100 POUNDS, EXCEPT AS NOTED

Price Sheet
2.000

STCS	COMMODITY-ORIGIN-DESTINATION-ROUTE-PRICE-MINIMUM WEIGHT
29 119 00 thru 29 119 99	Petroleum refining products, nec exc. liquefied petroleum gases - see 29121 or petroleum coke - see 29913 FROM: ETHYL AR TO: GIBSLAND LA Route: LNW-LNW 0 LNW Direct > Price is subject to Tariff UFC 6000-series. > Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$3,700.00(PC)(1) FROM: ETHYL AR TO: McNEIL AR Route: LNW-LNW 0 LNW Direct > Price is subject to Tariff UFC 6000-series. > Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$3,000.00(PC)(1) FROM: GIBSLAND LA TO: ETHYL AR Route: LNW-LNW 0 LNW Direct > Price is subject to Tariff UFC 6000-series. > Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$3,700.00(PC)(1) FROM: GIBSLAND LA TO: McNEIL AR Route: LNW-LNW 0 LNW Direct > Price is subject to Tariff UFC 6000-series. > Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$3,800.00(PC)(1) FROM: McNEIL AR TO: ETHYL AR Route: LNW-LNW 0 LNW Direct > Price is subject to Tariff UFC 6000-series. > Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$3,000.00(PC)(1) FROM: McNEIL AR TO: GIBSLAND LA Route: LNW-LNW 0 LNW Direct > Price is subject to Tariff UFC 6000-series. > Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$3,800.00(PC)(1)
33 121 00 thru 33 121 99	Steel ingot or semi-finished shapes. FROM: GIBSLAND LA TO: MAGNOLIA AR Route: LNW-LNW 0 LNW Direct > Price is subject to Tariff UFC 6000-series. > Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$2,000.00(PC) FROM: GIBSLAND LA TO: McNEIL AR Route: LNW-LNW 0 LNW Direct > Price is subject to Tariff UFC 6000-series. > Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$2,200.00(PC) FROM: MAGNOLIA AR TO: GIBSLAND LA Route: LNW-LNW 0 LNW Direct > Price is subject to Tariff UFC 6000-series. > Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$2,000.00(PC) FROM: MAGNOLIA AR TO: McNEIL AR Route: LNW-LNW 0 LNW Direct > Price is subject to Tariff UFC 6000-series. > Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$1,500.00(PC)

For explanation of ABBREVIATIONS and REFERENCE MARKS not explained herein, see concluding pages of this tariff.

PRICE EXHIBIT for TARIFF LNW 4030-A
PRICES IN DOLLARS PER 100 POUNDS, EXCEPT AS NOTED

Price Sheet
3.000

STC#	COMMODITY-ORIGIN-DESTINATION-ROUTE-PRICE-MINIMUM WEIGHT
33 121 00 thru 33 121 99	Continued from previous page FROM: McNEIL AR TO: GIBSLAND LA Route: LNW-LNW 0 LNW Direct > Price is subject to Tariff UFC 6000-series. > Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$2,200.00(PC) FROM: McNEIL AR TO: MAGNOLIA AR Route: LNW-LNW 0 LNW Direct > Price is subject to Tariff UFC 6000-series. > Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$1,500.00(PC)
40 211 00 thru 40 211 99	Iron or steel scrap, wastes or tailings. FROM: GIBSLAND LA TO: MAGNOLIA AR Route: LNW-LNW 0 LNW Direct > Price is subject to Tariff UFC 6000-series. > Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$1,800.00(PC) FROM: GIBSLAND LA TO: McNEIL AR Route: LNW-LNW 0 LNW Direct > Price is subject to Tariff UFC 6000-series. > Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$2,000.00(PC) FROM: MAGNOLIA AR TO: GIBSLAND LA Route: LNW-LNW 0 LNW Direct > Price is subject to Tariff UFC 6000-series. > Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$1,800.00(PC) FROM: MAGNOLIA AR TO: McNEIL AR Route: LNW-LNW 0 LNW Direct > Price is subject to Tariff UFC 6000-series. > Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$1,300.00(PC) FROM: McNEIL AR TO: GIBSLAND LA Route: LNW-LNW 0 LNW Direct > Price is subject to Tariff UFC 6000-series. > Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$2,000.00(PC) FROM: McNEIL AR TO: MAGNOLIA AR Route: LNW-LNW 0 LNW Direct > Price is subject to Tariff UFC 6000-series. > Price is subject to Fuel Recovery Surcharge published in Freight Tariff LNW 9501. Price: \$1,300.00(PC)

For explanation of ABBREVIATIONS and REFERENCE MARKS not explained herein, see concluding pages of this tariff.

THE LOUISIANA AND NORTH WEST RAILROAD COMPANY

FREIGHT TARIFF LNW 9501

FUEL RECOVERY SURCHARGE

RATES, RULES AND REGULATIONS GOVERNING

APPLICATION OF FUEL RECOVERY SURCHARGE

FOR ACCOUNT OF

THE LOUISIANA AND NORTH WEST RAILROAD COMPANY

FUEL RECOVERY SURCHARGE TARIFF

This tariff is also applicable on intrastate traffic, except where expressly provided to the contrary in connection with particular items.

ISSUED: JULY 15, 2005

EFFECTIVE: AUGUST 8, 2005

ISSUED BY:

**G. L. White
Marketing Manager
P. O. Box 60
304 West Main Street
Homer, LA 71040**

(The provisions published herein, if effective, will not result in an effect on the quality of the human environment.)

FREIGHT TARIFF LNW 9501

RULES AND OTHER GOVERNING PROVISIONS RULES AND REGULATIONS - GENERAL			SURCHARGES																																																																																										
ITEM 10 SUPPLEMENTS AND REISSUES When reference is made in this tariff, or supplements, to other publications for rates or other information, it includes "Supplements thereto or successive issues thereof." Where reference is made in this tariff to items, it includes "reissues" of such items.			ITEM 100 FUEL RECOVERY SURCHARGE (Applicable only where specific reference is made to barrels) Applicable only on traffic interchanged to or from the Kansas City Southern at Gilbrand, LA. In the event that the average price of West Texas Intermediate Crude Oil (as set forth below, the "WTI Average Price"), calculated monthly based on prices published in the Wall Street Journal, exceeds \$23.00 per barrel, the LNW will apply a fuel surcharge to the linehaul freight charges of 0.4 percent for every \$1.00 per barrel, or portion thereof, by which the WTI Average Price exceeds \$23.00. The WTI Average Price for a given calendar month will be determined by adding the daily West Texas Intermediate Crude Oil prices published in the Wall Street Journal during a calendar month, and dividing the result by the number of days so published. If the Wall Street Journal ceases publication of the price of West Texas Intermediate Crude Oil, LNW will employ a suitable substitute source of price or measure. The following schedule reflects the applicable fuel surcharges within the WTI Average Price ranges noted below:																																																																																										
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FREIGHT TARIFF LNW 9501

SURCHARGES

ITEM 110

FUEL RECOVERY SURCHARGE

(Applicable only where specific reference is made to hereto)

Applicable only on traffic interchanged to or from
the Union Pacific at McNeil, AR

In the event the average price of Retail On-Highway Diesel Fuel (as set forth below, the "HDF Average Price"), calculated monthly based on prices reported on the U. S. Department of Energy Website (eia.doe.gov) equals or exceeds \$1.35 per gallon, the LNW will apply a fuel surcharge to linehaul freight charges referencing or subject to this authority. The fuel surcharge shall be applied to the linehaul freight charge for each shipment having a bill of lading dated on or after the 1st day of the second calendar month following the calendar month of a given HDF Average Price (e.g., a fuel surcharge applied beginning July 1 would be based on May's HDF Average Price).

The HDF Average Price for a given calendar month will be determined by adding the weekly Retail On-Highway Diesel Fuel prices reported on the U. S. Department of Energy Website (eia.doe.gov), and dividing the result by the number of weeks so reported. The result will be rounded to the nearest cent. If the Department of Energy ceases reporting of the price of Retail On-Highway Diesel Fuel, the LNW will employ a suitable substitute source of price or measure. The following schedule reflects the applicable fuel surcharges within the HDF Average Price ranges noted below.

HDF AVERAGE PRICE PER GALLON		HDF AVERAGE PRICE PER GALLON	FUEL SURCHARG (Percentage)
\$0.00	to	\$1.349	0.0%
\$1.350	to	\$1.399	1.5%
\$1.400	to	\$1.449	2.0%
\$1.450	to	\$1.499	2.5%
\$1.500	to	\$1.549	3.0%
\$1.550	to	\$1.599	3.5%
\$1.600	to	\$1.649	4.0%
\$1.650	to	\$1.699	4.5%
\$1.700	to	\$1.749	5.0%
\$1.750	to	\$1.799	5.5%
\$1.800	to	\$1.849	6.0%
\$1.850	to	\$1.899	6.5%
\$1.900	to	\$1.949	7.0%
\$1.950	to	\$1.999	7.5%
\$2.000	to	\$2.049	8.0%
\$2.050	to	\$2.099	8.5%
\$2.100	to	\$2.149	9.0%
\$2.150	to	\$2.199	9.5%
\$2.200	to	\$2.249	10.0%
\$2.250	to	\$2.299	10.5%
\$2.300	to	\$2.349	11.0%
\$2.350	to	\$2.399	11.5%
\$2.400	to	\$2.449	12.0%
\$2.450	to	\$2.499	12.5%
\$2.500	to	\$2.549	13.0%
\$2.550	to	\$2.599	13.5%
\$2.600	to	\$2.649	14.0%
\$2.650	to	\$2.699	14.5%
\$2.700	to	\$2.749	15.0%

Each \$0.05 per gallon increase thereafter

Additional 0.5%

In no case will freight charge(s) be reduced below the Base Freight Charge(s) as a result of this item, nor will the application or removal of the fuel surcharge be retroactive.

For explanation of terms and explanation of abbreviations and reference marks, see last page of tariff.

THE LOUISIANA AND NORTH WEST RAILROAD COMPANY

SUPPLEMENT 1 TO FREIGHT TARIFF LNW 9501

FUEL RECOVERY SURCHARGE

**RATES, RULES AND REGULATIONS GOVERNING
APPLICATION OF FUEL RECOVERY SURCHARGE
FOR ACCOUNT OF**

THE LOUISIANA AND NORTH WEST RAILROAD COMPANY

FUEL RECOVERY SURCHARGE TARIFF

This tariff is also applicable on intrastate traffic, except where expressly provided to the contrary in connection with particular items.

ISSUED: SEPTEMBER 9, 2005

EFFECTIVE: OCTOBER 1, 2005

ISSUED BY:

**G. L. White
Marketing Manager
P. O. Box 60
304 West Main Street
Homer, LA 71040**

(The provisions published herein, if effective, will not result in an effect on the quality of the human environment.)

SUPPLEMENT 1 TO FREIGHT TARIFF LNW 9501

RULES AND OTHER GOVERNING PROVISIONS RULES AND REGULATIONS - GENERAL			SURCHARGES																																																																																														
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