



The Chemical Company

David J. McGregor
Senior Vice President
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February 15, 2005

Honorable Vernon Williams
Secretary
Surface Transportation Board
1925 K Street N.W.
Washington, DC 20423-0001

RE: STB Finance Docket No. 34662
CSX Transportation, Inc. – Petition for Declaratory Order

Dear Secretary Williams,

BASF Corporation has been advised that CSX Transportation Inc. has petitioned the Surface Transportation Board seeking a declaratory order to overturn the District of Columbia's recent ordinance prohibiting the movement of hazardous materials through Washington, DC.

BASF would like to go on record that we fully endorse the CSX petition.

We view the DC ordinance as an attempt to regulate interstate rail transportation at the local municipal level and believe it is in direct conflict with existing federal regulations governing the movement of hazardous materials by rail.

If this ordinance were allowed to stand it would set a precedent by which other jurisdictions could enact similar measures which cumulatively would have far reaching deleterious effects on the movement of hazardous materials critical to the operation of all industries in the United States.

The safe, efficient and cost effective movement of hazardous materials by rail transportation directly affects BASF's ability to compete in a global marketplace and contribute to the economic prosperity of this nation.

Even though we are at odds with our rail carriers in many matters, we now find ourselves in a situation where we must support the position of the CSX. As such, we respectfully request that the Board find that the DC law is pre-empted by Federal law, and that the CSX may, subject to Federal laws and statutes, route railcars covered by the DC ordinance via its tracks through and in the area of the District of Columbia.

BASF Corporation, headquartered in New Jersey, is the North American affiliate of BASF AG, Ludwigshafen, Germany. We employ about 11,000 people in North America and had sales of approximately \$9 billion in 2003. BASF's portfolio ranges from chemicals, plastics, performance products, agricultural products, and fine chemicals.

Respectfully submitted,

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Senior Vice President, NAFTA Logistics



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