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March 1, 2006

Via Electronic Filing

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

**Re: Holrail LLC – Construction and Operation Exemption – In
Orangeburg and Dorchester Counties, SC, STB Docket No. 34421; and
Holrail LLC – Petition for Crossing Authority Under 49 USC
10901(d), STB Docket No. 34421 (Sub – No. 1)**

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Dear Secretary Williams:

This letter is filed on behalf of AmerenEnergy Services, Arkansas Electric Cooperative Corporation, and Dominion Resources ("Supporting Shippers") in response to the Reply filed on February 24, 2006 in the above-captioned dockets by CSX Transportation ("CSX"). Supporting Shippers are aware that the Board generally does not allow a reply to a reply. 49 CFR § 1104.13(c). However, Supporting Shippers believe good cause exists for this response because of the mischaracterization and misquotation of their Joint Statement by CSX in its Reply, and they hereby request that the Board accept this letter for filing in the record in this proceeding.

Specifically, at page 32 of its Reply, CSX goes beyond the merits of the crossing petition submitted by Holrail and asserts that it was part of a "hidden agenda" by Holcim to circumvent the Board's competitive access rules. In its zeal to find support for this claim, CSX attempts to counter the fact that HolRail's particular situation is extraordinary and therefore its proposed application of 49 USC § 10901(d) deserves consideration, by attributing to Supporting Shippers the following "statement" set out in the Reply: "However, HolRail's claim is belied by Interveners [*sic*] statement that construction in the right-of-way of an existing railroad is 'the only realistic means by which a rail customer can establish dual rail access at a solely-served facility.' Joint Statement at 7." Reply at 32. Supporting Shippers made no such statement. CSX has omitted the first half of the relevant sentence, which in full reads: "Thus, under present law and policy, new rail construction, or the ability to demonstrate such construction is feasible, are the only realistic means by which a rail customer can establish dual rail access at a solely-served facility." Statement at 7 (internal citation omitted). This sentence was part of a

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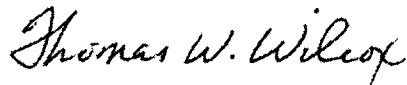
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discussion that merely asserted a position that the Board's interpretation of various statutes has meant that new rail construction is the only way for most captive shippers to generate competition. Even the most cursory perusal of pages 6-8 of the Joint Statement confirms that Supporting Shippers are discussing the generic use of rail construction to try and promote competition. CSX's attempt to significantly narrow this view to apply only to construction of new lines within existing right-of-way by selectively quoting pieces of Supporting Shipper's filing is not accurate.

CSX also states that "Intervenors have removed the purported limiting circumstances suggested by HolRail and made clear that their goal is to use this proceeding to create a new precedent to permit any shipper to build a new line in the existing right-of-way of any railroad." *Id.* at 32. This is false. Supporting Shippers repeatedly emphasize that Holrail's crossing petition can and should be evaluated under § 10901(d) and existing precedent. Joint Statement at 1- 2, 12-14. Moreover, Supporting Shippers state that "the application of § 10901(d) in this manner *under the appropriate circumstances* makes a great deal of sense." Joint Statement at 2 (emphasis added). See also pages 1 and 3. Supporting Shippers also note that there are a variety of additional factors to consider in evaluating whether a longitudinal crossing is appropriate, such as the incumbent railroad's need for the unused part of the right-of-way and the need for "appropriate operational protections." *Id.* at 20 and 24. CSX has mischaracterized the Joint Statement in order to make it into something it clearly is not.

An extra copy of this filing is included for stamping and return to this office. If there are any questions concerning this matter, please contact the undersigned at 202-274-2913.

Sincerely,



Thomas W. Wilcox
Counsel for Supporting Shippers

cc (via email): Jeffrey Moreno, Counsel for Holrail
Louis Gitomer, Counsel for CSX