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## Comments from Montana Grain Growers Association

**RE: Docket EP 431 Sub No. 4**

### Review of the General Purpose Costing System

The Montana Grain Growers Association (MGGA) is encouraged by the STB's changes to its Uniform Railroad Costing System. Our dues-paying members, who are the commercial grain producers of Montana, have been impacted by some of the outdated aspects of URCS which the STB is proposing to update and repair. While our members do not particularly concern themselves with the function of the URCS program, the awkward application of some of the step functions and the resulting disparity in R/VC values between similar rail shipments has been detrimental to our efforts to resolve real and important rail freight issues. It is our hope that the modifications to the URCS program will remove URCS as a factor in shipper and railroad decisions, and relegate it to just an accurate indicator to compare rates or determine regulatory thresholds.

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MGGA realizes that allocation of a railroad's costs will always be no more than an average. Therefore, we will continue to find resolution of rate issues based on real-time and real-world conditions. But, this effort to remove glaring inequities from the URCS program will be very helpful to our mission, removing some of the red herrings and misinformation which we have had to address.

In particular, the smoothing of the step function in efficiency adjustments is long overdue. We believe there have been situations in which these artificial steps have had an effect on the way shippers have ordered and used rail cars. Similarly, increasing the trainload size to 80 cars is an important step in making URCS an indicator, rather than a factor, of the business of rail freight.

These are brief comments on a complex issue. We believe that the real effect of the URCS changes cannot be fully known until they are incorporated and used. We encourage the STB to listen to shippers and railroads after implementation, and to be ready to make further URCS modifications as business models adapt to markets. URCS should be an accurate indicator, rather than a factor, in this industry.

Thank you for these thoughtful efforts to improve the URCS program.

Sincerely,

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