



777 North Capitol Street, NE, Suite 805, Washington, D.C. 20002

PHONE 202.545.4000 FAX 202.545.4001

GrowthEnergy.org

June 13, 2016

240897

Daniel R. Elliott III, Chair
Deb Miller, Vice-Chairman
Surface Transportation Board
395 E Street SW
Washington, DC 20423

ENTERED
Office of Proceedings
June 13, 2016
Part of
Public Record

Attention: Docket No. EP 730, Revisions to Arbitration Procedures

Dear Chairman Elliott and Vice-Chairman Miller:

As you know, Growth Energy is the leading association of renewable fuel producers, representing nearly 90 ethanol plants, 90 industry suppliers, and tens of thousands of ethanol supporters across the country. Today, our industry produces over 14 billion gallons of renewable fuel and over 44 million tons of distiller grains, meeting our nation's need for fuel and food. Today, ethanol represents approximately 10 percent of our nation's fuel supply and is poised to grow even more.

In 2015, the ethanol industry produced more than 14 billion gallons of renewable fuel and more than 60 percent of it was transported by rail. For many of our plants, rail is the only way to get their ethanol to markets, particularly the larger fuel markets on the east and west coast, and usually these plants are only served by one railroad.

Our industry has seen roughly an 80 percent increase in rail rates over the last decade, with a 20 percent increase in the past five years alone. In fact, and in most cases, our industry is paying over \$1000 per car more today than in 2010. And remarkably, several years ago, we continued to see rate increases in the face of incredibly poor service that forced some of our plants to idle production and threatened fuel shortages on the east coast.

Because our industry is so dependent on rail, these increases have significant impacts not only on our member plants, but on American consumers, as well, in the form of higher fuel costs. Unfortunately, bringing a rate case before the STB is a daunting task that requires considerable expense, time, and effort, so we greatly appreciate the Board's proposal to make the process simpler and more fair.

Specifically, we support the inclusion of rate cases as matters eligible for arbitration. We also support the increase of the cap in potential relief moving up from \$200,000 to \$25M for rate cases and from \$200,000 to \$2M for practice disputes. Finally, we support the ability of parties entering into arbitration to have the ability to concede the issue of "market dominance" by the railroad. For our industry, these changes are a

welcome step in the right direction, and we welcome future changes that continue to simplify these processes.

We appreciate the opportunity to offer our support for these changes with our comments today and want to offer our assistance in working with the ethanol industry on these important issues moving forward. Thank you again for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Christopher P. Bliley". The signature is fluid and cursive, with a large, stylized "B" at the end.

Christopher P. Bliley
Director, Regulatory Affairs