

241365

ENTERED
Office of Proceedings
August 26, 2016
Part of
Public Record

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Ex Parte No. 704 Sub 1

REVIEW OF COMMODITY, BOXCAR/ AND TOFC/COFC EXEMPTIONS

**REPLY COMMENTS OF
TEXAS CRUSHED STONE COMPANY**

William B. Snead, President
Texas Crushed Stone, Inc.
P.O. Box 1000
Georgetown, TX 78627
Telephone: (512) 863-5511

August 26, 2016

My name is William B. (Bill) Snead and I am presenting these reply comments on behalf of Texas Crushed Stone (TCS) in connection with the Surface Transportation Board's Notice of Proposed Rulemaking, *Docket No. 704 (Sub-No. 1), Review of Commodity Boxcar, and TOFC/COFC Exemptions*. My comments will focus on several points submitted by some railroads that need to be clarified or corrected.

1.0 TEXAS CRUSHED STONE, IN FACT, SHIPS STONE TO END USERS

Some of the railroads submitted that stone does not move direct to end users. Therefore, since Texas Crushed Stone (TCS) is served by two railroads, BNSF Railway and Union Pacific Railroad, TCS' business is not captive.¹

Most roads in Texas Crushed Stone's rail market area are constructed using full depth portland cement concrete or full depth asphalt. The most competitive concrete and hot mix asphalt plants are co-located with unit train receiving yards. This allows these mixing plants to eliminate a double haul on their input aggregates. For these plants to receive aggregate from another unit train yard would add at least \$2.50 per ton to their input costs. Portland cement concrete is a mixture of approximately 12% portland cement and 88% aggregate. Hot mix asphalt is a mixture of approximately 6% liquid asphalt and 94% aggregate.

¹ STB EP 704 (Sub-No.1), CSX, Louis Muldrow Verified Statement, July 26, 2016, page 1, "Stone is not delivered to end users by rail." STB EP 704 (Sub-No. 1) UPRR Brad Thrasher Verified Statement, July 26, 2016, page 8 "Texas Crushed Stone can ship to UP or BNSF destination yards." STB EP 704 (Sub-No. 1 Comments of Union Pacific Railroad, July 26, 2016, page 6, "TCS's claim that its customers are captive to one railroad has no merit. TCS customers enjoy competition between Union Pacific and BNSF because they can ship to Union Pacific-served destination yards or nearby BNSF-served destination yards before delivery by truck."

The preponderance of the aggregate used in East Texas and Western Louisiana is not only captive to a single Class I Railroad, but also captive to a single unit train receiving yard.

**TEXAS CRUSHED STONE HAS INVESTED CAPITAL IN RAIL
INFRASTRUCTURE**

BNSF accurately described the business model they developed to compete with trucks, by partnering with their customers to invest capital for increased rail infrastructure at industries that are required to handle unit trains. As submitted by BNSF, this required a major overhaul of the industries' rail infrastructure. Initially, TCS had a 40-car rail siding, then based on BNSF's new rate structures, we increased the siding capacity to 80 cars, and most recently to 120 cars. TCS performed the track construction internally at a total cost of \$244,000 but the cost to have the work done by a contractor would have been much higher.

BNSF's concern is, "BNSF aggregate traffic do not adequately reflect the significant capital investments made by BNSF in building unit train service..... a blanket revocation would have the perverse effect of potentially subjecting BNSF to additional regulation for successfully competing in this market through innovation and investment over the past twenty years."²

I believe it reasonable to assume that when BNSF developed their business plan, the capital investment that would be needed to position the industry to transition to unit trains was included when they developed the strategic plan, and like other business plans the decision to go forward was based on the

² STB Ex Parte No. 704 (Sub No. 1), Opening Comments of BNSF Railway Company, July 26, 2016, page 9.

opportunity to increase revenues and profits. Certainly, according to the Board's analysis and the analysis presented by TCS's consultant in this proceeding, that seems to be the case.³

As expressed in my prior testimony, we currently have an excellent relationship with BNSF and we have worked in partnership with the railroad to comply with their business model because we recognized the need to be competitive. However, experience has taught us that companies can change personnel and policies. Therefore, this proceeding is important to protect my company's interest for the long term.

It is important to note that the business model described in the BNSF comments was initiated by BNSF, but it also required significant capital investment on our part. While there is no way to determine what the rates would have been if we had not expanded our siding, I doubt we have realized \$244,000 in cost savings by shipping larger units.

Finally, I would like to address the railroads' concern that the Board is proposing revocation of the exemption on crushed stone, based solely on the statement of a single shipper. After reviewing the railroads' comments, we reached out to others in our industry to solicit letters of support. While there is wide spread dissatisfaction with the status quo, there is almost universal fear of retaliation by the railroads. While the idea of being assisted by the STB seems to be complex and remote, the idea of retribution by the railroads is real and immediate.

³ Joseph Grantner Statement, Analysis of Data in the Confidential Waybill File for Commodity Group STCC 142, Crushed or Broken Stone or Rip Rap for Texas Crushed Stone, Inc., July 26, 2016.

I did not take lightly my decision to participate in the exemption proceeding in 2011, but I decided it is important to speak up and I believe we should be able to discuss important issues with the railroads as business professionals, even if we disagree. Obviously, we were disappointed with the lack of support but I understand their decisions. Certainly this is one more symptom of the dysfunctional relationships that exist between the railroads and their customers.

CONCLUSION

Again, Texas Crushed Stone commends the Board for opening this proceeding and initiating a process to determine if certain current class-wide exemptions should be continued or revoked. By investing capital to transition to larger unit trains, Texas Crushed Stone and other aggregate shippers have skin in the game. Therefore, if the carriers are sincere in their statements that they want to work in partnership with the customers, the time has come for them to commit to providing common carrier service, and there should not be any concern if Texas Crushed Stone and other aggregate shippers have access to the Board to seek relief from rates or unreasonable practices. We respectfully request that the Board confirm its proposed rule to revoke the exemption on STCC 142.

Respectfully submitted,



William B. Snead, President
Texas Crushed Stone, Inc.
P.O. Box 1000
Georgetown, TX 78627
(512) 863-5511

August 26, 2016

REDACTED – TO BE PLACED ON PUBLIC FILE

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Ex Parte No. 704 Sub 1

REVIEW OF COMMODITY, BOXCAR/ AND TOFC/COFC EXEMPTIONS

**REPLY COMMENTS OF
HIGHROAD CONSULTING, LTD.**

ON BEHALF OF TEXAS CRUSHED STONE

Sandra J. Dearden
Joseph M. Grantner
Highroad Consulting, Ltd.
9011 Indianapolis Blvd., Suite A
Highland, IN 46322
Telephone: (219) 838-3800

August 26, 2016

We are Sandra J. Dearden, President and Executive Consultant, and Joseph M. Grantner, Director Strategic Operations for Highroad Consulting, Ltd. We are presenting these reply comments on behalf of Texas Crushed Stone (TCS) in connection with the Surface Transportation Board's Notice of Proposed Rulemaking, *Docket No. 704 (Sub-No. 1), Review of Commodity Boxcar, and TOFC/COFC Exemptions.*

We commend the Board and support the proposal to remove the exemption on STCC 14-2. What the Board is proposing is in the public interest as it is addressing outdated regulations that burden shippers of exempt commodities with costly and unnecessary procedures to seek limited relief from unfair rates and unreasonable practices. Further, the application of common carrier obligation to these shippers is clearly in the public interest.

In this statement we will expand upon our initial comments which question the validity of current conditions and justifications for the exemption of STCC 14-2 (crushed stone) from regulation, and we will demonstrate how the railroads' arguments against revocation of commodity exemptions are, in some cases, vague, flawed, and misguided. In other arguments they present evidence using broad market generalizations rather than taking into consideration unique and relevant characteristics of the crushed stone industry.

Specific topics we plan to address include:

- Revenue-To-Variable Cost Ratios (RVC's) as a measurement to judge market power;
- The Average Length of Haul for crushed stone shipments has increased and is understated;
- A discussion of some of the key points in the Board's analysis;

- Some thoughts to consider when deciding if the revocation should apply industry-wide, including short line and regional railroads;
- Competition is inadequate in the crushed stone industry;
- The railroads' arguments are weak and anecdotal and they have not demonstrated a continuing need for the exemptions.

1.0 REVENUE-TO-VARIABLE COST RATIOS (RVC'S) ARE NOT NECESSARILY AN INDICATION OF MARKET POWER.

In their opening comments, the railroads assumed a uniform position that RVC's are not an indication of market power¹, however, they do not offer any alternate quantitative solutions. We agree that RVCs are not necessarily an indication of market power, which is one of the reasons we at Highroad include the analysis of rates per ton-mile when benchmarking and developing recommendations for strategy for our clients, and we reserve the use of cost calculations to gain an understanding of the clients' businesses from the carriers' point of view.

One of the factors that can impact RVC's is distance, especially very short distances. For example, it is not uncommon to see RVC's, for switch charges or divisions of revenues for a 20-mile haul to interchange with another carrier, that exceed 350%, exceeding the 180% rate reasonableness threshold. Yet common sense tells us a switch charge or division of \$450 per car may be reasonable.

While the railroads criticized the Board for including a review of the history of the RVC's for the subject commodities, Michael R. Baranowski and Benton V. Fisher

¹ STB Ex Parte No. 704 (Sub-No.1), *Review of Commodity, Boxcar, and TOFC/COFC Exemptions*, Comments of The Association of American Railroads, pp. 22 – 29; Comments of BNSF Railway, p. 2; Verified Statement of Russ Epting to CSX Comments, p. 4; Comments of Norfolk Southern Railroad, pp. 30 – 32; Verified Statement of Kevin M. Murphy, Union Pacific railroad, pp. 6 – 7.

in their verified statement for the AAR, presented five pages of testimony discussing the problems with URCS and their methodology to “refine” the RVC’s.² We agree that URCS is flawed; it has been our experience when performing parallel costing URCS vs. Highroad’s proprietary rail costing model, INSIGHT: RailEdition©, that URCS costs are often over-stated.

We agree that RVC’s may not be a reliable metric for measuring market power, but re-evaluating the RVC’s in this proceeding does not seem appropriate. However, railroad costs and RVC’s are some of the metrics used in other STB proceedings, so shippers should not be penalized and the Board should not be criticized for including a review of the history of RVC’s for these commodities. Furthermore, the RVC’s were only one consideration, and there are numerous reasons why the exemptions should be removed.

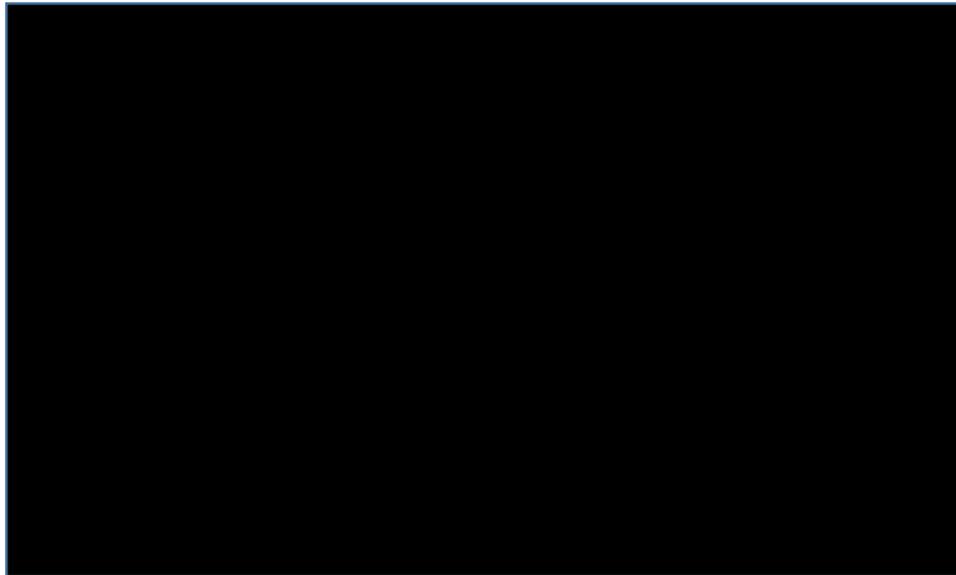
Rates for shipments of crushed stone have risen steadily since deregulation, and at a greater rate than costs. In his statement for the AAR’s comments in Ex Parte 704 (Sub No. 1), Dr. Robert Willig states that, “there is nothing in the economics of competition that implies that prices in competitive markets should move in only one direction – downward,” but rather, in competitive markets, prices “properly move down and up with the interaction of supply and demand.”³ However, distributions of revenues and rates show a steady upward climb since 1987, with the only significant decrease in revenue occurring during the Great Recession. Otherwise

² STB Ex Parte No. 704 (Sub-No.1) Verified Statement of Michael R. Baranowski and Benton V. Fisher for AAR, pp. 19 – 24.

³ Robert Willig, “Docket No. EP 704 (Sub-No. 1), Review of Boxcar, Commodity, and TOFC/COFC Exemptions”, AAR (2011), 9

there is no pattern that indicates a typical business cycle as described by Dr. Willig, only a steady increase that outpaces costs.

As explained earlier in this statement, we have found rates per ton-mile (RPTM) to be a meaningful indicator of market power, especially when comparing RPTM that apply on our clients' shipments versus the RPTM paid by competing shippers. The table below shows the progression of the average revenue per ton-mile vs. the progression of the variable costs. How can RPTM determine market power without a cost component?



2.0 THE AVERAGE LENGTH OF HAUL FOR SHIPMENTS OF CRUSHED STONE HAS INCREASED AND IS SLIGHTLY UNDERSTATED.

When the ICC first exempted the rail transportation of this commodity group, testimony provided by witnesses on behalf of individual rail carriers indicated that this commodity group was subject to motor carrier competition because movements were often short haul in nature.⁴ Recent information suggests that these market dynamics may have changed significantly.

[REDACTED]

[REDACTED]

[REDACTED] In his opening comments, Texas Crushed Stone’s President, Bill Snead, explained that for various reasons, including the fact TCS is moving high volumes in unit train service, it is not practical to ship by truck beyond 60 miles.⁵ This 60-mile threshold has been confirmed by shippers in other regions of the country.

Gerald Fauth made an interesting point when he challenged the calculations for average lengths of haul because they did not take into consideration the impact of Rule 11 shipments⁶. If any of the shipments of commodities included in the Board’s proposal were Rule 11 shipments, then the average length(s) of haul are understated.

[REDACTED]

[REDACTED]

[REDACTED]

⁴ Petition of AAR, 9 I.C.C.2d at 975.

⁵ STB EP 704 (Sub-No. 1), Comments of William B. Snead, July 26, 2016, p. 4.

⁶ STB EP 704 (Sub-No. 1), Verified Statement of Gerald Fauth for the ALSRRA, July 26, 2016, p. 7

██████████ Still the average lengths of haul for crushed stone shipments are slightly understated.



In March 2016, USDOT updated their forecast, predicting that freight volumes in the United States will increase 40% over the next thirty years. We believe a major portion of that growth will move by rail. Because of the shortage of truck drivers and recent regulatory changes, some Highroad clients that have not done rail in the past have contracted mode conversion studies and asked Highroad to assist with development of a transportation strategy and rail strategy. Also, representatives of two State DOT's told us they encourage industries to consider rail because of the impact on the highway system. The Highway Administration estimated that a 10% increase in volumes could increase traffic-related pavement damage by up to 35%.⁷ Thus it is in the public interest to plan for increased volumes to move on rail.

Given these statements, one could reasonably assume that the average length of haul for rail shipments will only increase going forward.

⁷ United States General Accounting Office, Statement of Henry Eschwege, Director Community and Economic Development Division before the House Committee on Oversight of the Committee on Ways and Means on Truck Weight and its Effect on Highways, July 23, 1979, p.3.

3.0 THE SURFACE TRANSPORTATION BOARD ANALYSIS.

The railroads across the board unfairly attacked the STB analysis and decision to revoke the exemptions. The STB used industry accepted analytical tools and information available which we submit was a valid basis for comparisons. Subsequently to confirm the Board's preliminary findings, Vice Chairman Miller requested a broader analysis which revealed the railroads have not increased market power for any exempt commodities except for those addressed in the decision⁸.

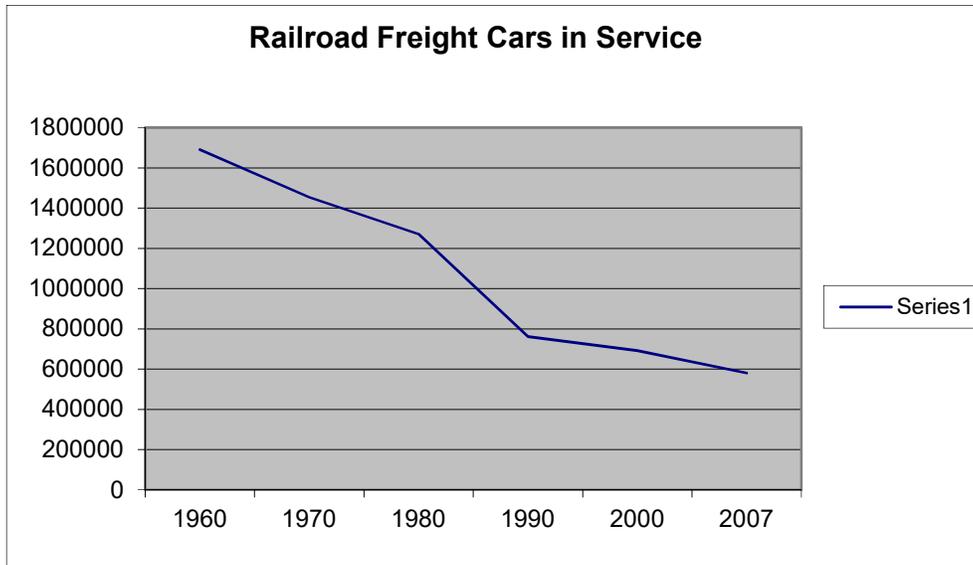
Gerald Fauth questioned the fact that the analysis did not take into consideration the increased cost of fuel, even though the railroads over-recovered with their fuel surcharge programs during the study period⁹.

AAR Consultants, Baranowski and Fisher raised the issue of "no mileage" cars. In a previous proceeding, Ex Parte 431 (Sub-No. 3), Sandra Dearden presented the graph below as evidence that the railroads have not kept up with attrition when replacing cars, therefore placing the responsibility for car ownership on the rail customers.¹⁰

⁸ STB EP 704 (Sub-No. 1), Decision 45108, Comments of Vice Chairman Miller, March 23, 2016

⁹ STB EP 704 (Sub-No. 1), Verified Statement of Gerald Fauth for the ALSRRA, July 26, 2016, p. 13

¹⁰ STB Ex Parte 431 (Sub-No. 3) Comments Submitted of Highroad Consulting, Ltd. Regarding Review of the Surface Transportation Board's General Costing System, May 29, 2009.



The filing deadline for Reply Comments did not allow adequate time to access more current data from the AAR, but the trend line is still relevant for this proceeding. The railroads have been aggressively transitioning rail car ownership to rail customers, and the preponderance of rates that apply on shipments in cars leased or owned by the shippers are not subject to mileage compensation. The effect is rates are reduced vs. those that apply in cars furnished by the railroads. It is reasonable to expect that rate increases would be mitigated to some extent by this industry trend but we have not seen any reduction or softening of the rate increases. Instead, the rates continue to go up.

4.0 THE REVOCATION OF EXEMPTIONS SHOULD APPLY INDUSTRY WIDE, INCLUDING SHORT LINE AND REGIONAL RAILROADS

ASLRRRA submits small railroads do not exert market power. However, it has been our experience that they sometimes do and they participate in rates with Class I railroads that can exert market power due to paper barriers.

There is no reason why small carriers should not comply with the Board's statutes and regulations regarding the provision of common carrier service upon reasonable request, maintenance of reasonable practices and rates, and the provision of adequate service. It is important that in this proceeding we *Do It Right the First Time* so there is not a need to open another proceeding in future years to address inclusion of the small railroads in this decision. The railroads have not demonstrated any harm that will occur if the exemptions are removed, so there is no apparent need for the small railroads to be excluded.

5.0 COMPETITION IS INADEQUATE IN THE CRUSHED STONE INDUSTRY.

It is an accepted fact that many changes have occurred over a 30-year period; intramodal competition has been reduced, and competition has not effectively limited railroad market power on shipments of crushed stone, STCC 14-2. In his Opening Comments, Texas Crushed Stone President, Bill Snead, summarized the impact railroad market power has had on his company.¹¹ Norfolk Southern in their Opening Comments stated, "not one shipper has identified a facility that was served by two railroads but is now served by one"¹². Based on prior testimony, we do not see the relevance and it certainly is not relevant to Texas Crushed Stone's rail shipments.

As submitted by Mr. Snead, the railroads have incredible pricing power and they have made decisions that have made a significant negative impact on Texas Crushed Stone's ability to be market competitive. While Texas Crushed Stone is served by a short line railroad that connects with two Class I railroads, TCS'

¹¹ STB EP 704 (Sub-1), Review of Commodity, Boxcar, and TOFC/COFC Exemptions, Comments of Texas Crushed Stone, Inc., July 26, 2016, pp. 4 – 6.

¹² STB EP 704 (Sub-1), Review of Commodity, Boxcar, and TOFC/COFC Exemptions, Comments of Norfolk Southern Railway, July 26, 2016, p. 35.

customers that receive trains rail direct are local to one railroad, so those lanes are captive, thus rendering Norfolk Southern's comments regarding captivity invalid.

Union Pacific Railroad in their Opening Comments stated that trucks dominate the Texas market. Still, even though Texas Crushed Stone's primary market is Texas, TCS has experienced pressure due to the presence of railroad market power and they have lost business due to railroad pricing practices and strategies to control the market.

As mentioned earlier in this statement, USDOT is forecasting significant growth in freight volumes in future years. A paradigm shift is already occurring as industries have recognized the need to access rail transportation due to the shortage of drivers and regulatory changes. The driver shortage was also addressed by the Steel manufacturers Association and American Iron and Steel Institute in their Opening Comments.¹³

With the current decline in freight volumes the effects of the driver shortage have not yet been fully realized. However, according to the latest projections by the U.S. Bureau of Transportation Statistics, freight tons moving on the nation's transportation network will grow 40% by 2046. Even today, the competition provided by the trucking industry is much lower than it was in 1983. It is important that shippers have assurance that they will have common carrier service for the short term and for the long term.

¹³ Ex Parte No. 704 (Sub-No. 1), Review of Commodity, Boxcar, and TOFC/COFC Exemptions, Comments of Steel manufacturers Association and American Iron and Steel Institute, "...problems are attributable to a severe shortage of truck drivers, which shortfall could grow to as much as 174,500 by 2024 if not addressed..."; *Am. Trucking Association's Truck Driver Shortage Analysis (October 2015, pp. 14 – 15.*

6.0 THE RAILROADS HAVE NOT DEMONSTRATED HARM THAT WILL OCCUR IF THE EXEMPTIONS ARE REMOVED

The railroads' objections to the Board's proposal appear to be reactionary and anecdotal in nature, and they have not produced any evidence that would support a decision to maintain the exemptions.

Gerald Fauth in his Verified Statement contended the STB did not present any evidence of market power except RVCs¹⁴. However, the Board's analysis also included other topics including the increase of percentage of potentially captive traffic by revenue, the average length of haul, and prior testimony from numerous witnesses.¹⁵

The railroads also challenged the Board's proposal on the basis that shippers have not requested revocation and they can get informal relief through the Consumer Assistance Program.¹⁶ The expense and risk of application for limited relief under the current procedures are not practical solutions for shippers of exempt commodities. Furthermore, shippers of regulated commodities are not limited to partial relief and they are not required to bear the expense and risk of filing for partial revocation. Finally, shippers of regulated commodities are assured they will have protection for common carrier service. It is interesting that the railroads have reacted to the Board's proposal as if they are fighting for their very existence when they operate efficiently and profitably when serving other shippers of regulated commodities. As for informal access to the STB Consumer Assistance program, because it is an

¹⁴ STB EP 704 (Sub-No. 1), Verified Statement of Gerald Fauth for the ALSRRA, July 26, 2016, p. 3

¹⁵ EP_704_1 Review of Commodity, Boxcar, and TOFC/COFC Exemptions, Decision, March 23, 2016.

¹⁶ STB EP 704 (Sub-No. 1) Comments of Norfolk Southern, July 26, 2016, p. 36; Comments of Union Pacific Railroad, July 26, 2016, p. 38.

informal program, STB staff cannot order a specific solution or provide opinions or rulings.¹⁷

The basic theme of the railroads' comments is there is adequate competition and shippers of commodities included in the Board's proposal have at least one competitor, i.e. Truck, but so do shippers of most commodities including regulated commodities. However, the difference is exempt shippers have limited recourse to seek relief from unfair rates and unreasonable practices, and common carrier obligation does not apply. Finally, the railroads have not demonstrated any negative impact, or any continuing need for the exemptions.

Norfolk Southern in their Opening Comments asked why the STB in the NPRM did not mention a single one of the following RTP elements, stating the substantial benefits have not changed, "when the agency exempted crushed or broken stone or rip rap and primary iron or steel products, it made similarly robust findings regarding the RTP: "Regulation is not necessary to carry out the transportation policy of 49 U.S.C. § 10101a. Because for the reasons stated below, the transportation of these commodities is competitive, an exemption will promote the goals of § § 10101a(1), (4), and (5). An exemption would:

- "minimize the need for federal regulatory control" [§ 10101a(2)];
- Promote "adequate revenues" by allowing the carriers to use spot rate reductions to attract low-cost, backhaul traffic [§ 10101a(3)];
- Increase competition between rail carriers and trucks by allowing quick, selective rate changes in response to competition [§10101a(5)];
- Allow more efficient management by (i) allowing pricing changes in response to changing business conditions, and (ii) allowing carriers to reduce costs associated with contract rate establishment and management [10101a(10)];
- And encourage energy conservation by attracting traffic from trucks [§ 10101a(15)]..."¹⁸

¹⁷ STB Website, Rail Consumer and Public Assistance.

¹⁸ EP 704 (Sub-No. 1), Comments of Norfolk Southern, pp. 39 – 40.

The answer is obvious for each and every RTP element mentioned above, i.e., these benefits apply to all traffic today, including exempt and regulated traffic, so there is no longer a need for the exemptions.

7.0 THE BOARD’S PROPOSAL TO REVOKE THE EXEMPTION ON STCC 14-2, CRUSHED OR BROKEN STONE OR RIP RAP SHOULD BE APPROVED.

For reasons presented throughout this verified statement, we also support revocation of the exemptions for the other commodity groups included in this NPRM.

The railroads contend that the rail market share data for STCC 14-2, Crushed or Broken Stone, is evidence of a lack of railroad market power. However, the railroads have not produced any evidence that demonstrates benefits of the exemptions in today’s regulatory environment. On the other hand, crushed stone shippers are forced to endure unreasonable railroad pricing practices, including controlling and directing markets, and the volumes of crushed stone warrant serious consideration.¹⁹

Finally, the Board’s proposal should be approved because it complies with goals established by the current executive Administration. When President Obama issued Executive Order No. 13,563, January 18, 2011, he explained that his goal was to “remove outdated regulations that stifle job creation and make our economy less competitive.”²⁰

¹⁹ EP 704 (Sub-No. 1, Verified Statement of Gerald Fauth, p. 17, Crushed or Broken Stone, STCC 14-2 in 2015 had the highest carload volumes versus other commodities included in the NPRM.

²⁰ Barack Obama, “Toward a 21st-Century Regulatory System,” *The Wall Street Journal*, Jan. 18, 2011 at A17 (Obama Op. Ed). In the Order itself, the President commanded that “each agency shall identify and consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public.” Executive Order No. 13,563, Jan. 18, 2011.

That is precisely what the Board is proposing here. The Board is addressing outdated regulations that make our economy less competitive. Further, the Board has identified and is considering regulatory approaches to reduce burdens and maintain flexibility and freedom of choice from the public (eliminating the need for lengthy, costly processes to apply for partial exemptions; freedom to expect common carrier obligation and to seek relief at the STB as other regulated shippers do.

We believe what the Board is proposing is in the public interest and we support the proposals as set forth in the NPRM.

VERIFICATION

I declare under penalty of perjury that the foregoing is true and correct. I further certify that I am qualified and authorized to sponsor and file this testimony.

Executive on August 26, 2016



Joseph M. Grantner

VERIFICATION

I declare under penalty of perjury that the foregoing is true and correct. I further certify that I am qualified and authorized to sponsor and file this testimony.

Executive on August 26, 2016


Sandra J. Dearden