

BEFORE THE SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO.: 35219

UNION PACIFIC RAILROAD COMPANY – PETITION FOR DECLARATORY ORDER

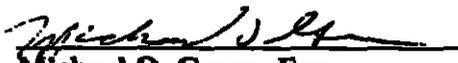
COMMENTS OF SPRINGFIELD TERMINAL RAILWAY COMPANY

ENTERED
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Part of
Public Record

Respectfully Submitted,


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ORDER**

COMMENTS OF SPRINGFIELD TERMINAL RAILWAY COMPANY

Pursuant to the Board's decision in this proceeding to seek public comment to determine the extent of a common carrier obligation to quote rates for new, lengthy movements of chlorine, a toxic inhalation hazard (TIH); where transportation would require movement through High Threat Urban Areas (HTUA) and other large communities to destinations where, according to Union Pacific Railroad Company, an ample supply of chlorine is available from nearby sources.

COMMENT

The transportation of TIH material remains a vital concern for railroads of any class. These concerns center on the safety of railroad employees as well as the general public at large. Recognizing that TIH transport by rail is the safest means of transportation of these dangerous materials it remains a high priority of the freight rail industry to provide that safe delivery.

Ensuring that safe delivery there exist an enormous potential for liability in carrying TIH materials. Presently no railroad, of any class, has the financial ability to meet their responsibility to their community and innocent victims in the event of a

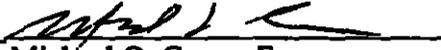
catastrophic accident. Smaller class railroads are unable to afford the high premiums which are necessary and available to satisfy any potential enormous liability. Insurance proceeds spreads the risks among affected parties – shippers, producers and carriers – to insure that innocent victims may be rightfully compensated in the event of an incident. This approach would be preferable over an indemnification approach as the ability to properly compensate in an indemnification approach would only be sufficient as to the financial ability of the indemnitor.

Recognizing that the railroads have a common carrier obligation, the transport of TIH material is extremely dangerous and subjects each carrier to extreme and potentially ruinous liability each time they are transported over their lines. The risk is not only to the railroad companies and their employees but it is extended individuals in the communities in which they operate. As indicated the liability associated with the risk is astronomical and it would not be an unreasonable request by the railroads to share that risk / liability with shippers and producers.

The rail industry does not and can not walk away from their common carrier obligation. This fact alone burdens the railroad with all of the costs of TIH material transportation. The rates that are established for the transport of TIH material may be calculated to insure safer transport (i.e. “special train handling rates”) however, such rates would fall far below the costs of an incident involving TIH material.

The transport of TIH material is a way of life in the world today. Rail, it appears, is the safest means of transport for these materials. It is incumbent upon all affected parties – shippers, producers and carriers – to be involved in final solutions to the risks that such transport presents.

Respectfully Submitted,


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