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January 25, 2002

VIA FEDERAL EXPRESS

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Room 700
Washington, DC 20006

ENTERED
Office of the Secretary
FEB 07 2002
Part of
Public Record



Re: **Docket No. 42052**
Union Pacific Railroad Company -- Petition for Declaratory
Order -- Unilaterally Imposed Interchange Charges

Dear Secretary Williams:

Pursuant to the Board's decision served herein on January 14, 2002, Indiana Harbor Belt Railroad Company ("IHB") hereby provides notice to the Board and the Association of American Railroads ("AAR") of IHB's intent to participate in meetings conducted by the AAR to discuss effective means of addressing excessive and disruptive delays in the interchange of cars between rail carriers. IHB has been a primary and active participant in the above-captioned proceeding, and its consistent, overriding interest is to assure the fluidity of rail interchange operations within the Chicago Switching District -- the biggest and most important rail terminal in the nation. IHB is one of the two principal intermediate switching carriers in the Chicago terminal.

IHB expects to be represented at such meetings by Gary Gibson, IHB's General Manager, or Dave Nelson, IHB's General Superintendent. Mr. Gibson has extensive experience with terminal operations in the Chicago switching district, having spent more than 20 years with The Baltimore & Ohio Chicago Terminal Railroad Company -- another long-standing switching carrier -- and its parent CSX Transportation, Inc. Mr. Nelson has served as IHB's second-ranking operating officer since 1998, and before that held numerous positions in the operating department of the Soo Line Railroad Company (now Canadian Pacific), a part-owner of IHB. Like Mr. Gibson, Mr. Nelson is intimately familiar with rail operations in the Chicago area, including intermediate switching between carriers and the difficulties and congestion that can quickly arise when line-haul carriers decline to accept their interchange traffic in a timely manner. Roger Serpe, IHB's General Counsel, also will attend the meetings and participate as appropriate. The addresses for Mr. Gibson, Mr. Nelson and Mr. Serpe are provided below, and should be included on any service or address list issued by the STB or the AAR.

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IHB believes that some monetary penalty for interchange delays in the Chicago terminal is absolutely essential to discourage a line-haul carrier from "parking" its cars or trains on the lines and in the yards of intermediate switching carriers when the line-haul carrier experiences its own operating difficulties. Left unchecked, such practices cause cascading congestion and bottlenecks that can impair the entire terminal. It is also clear to IHB that the AAR's Car Service/Car Hire Agreement and Code of Car Service Rules/Code of Car Hire Rules as presently constituted were not intended to -- and, in fact, do not effectively -- address this type of situation involving major rail terminals and intermediate switching carriers.

The other essential aspect of any solution to the interchange delay problem in major rail terminals is that it be equally binding on all rail carriers entering the terminal. The system cannot work if line-haul carriers have the ability to "opt out" of the solution, or to unilaterally "accept" such delay charges from one intermediate switching carrier and not from another. The interchange delay tariffs utilized since the mid-1990s by IHB and The Belt Railway Company of Chicago -- and previously endorsed by the AAR's Chicago Planning Group -- have effectively served this function, to the satisfaction of all but one line-haul carrier. IHB, however, would endorse any other appropriate arrangement that achieves the same result.

The addresses for IHB's representatives herein are as follows:

Mr. Gary L. Gibson
General Manager
Indiana Harbor Belt Railroad Company
2721 161st Street
Hammond, Indiana 46323-1099

Mr. David H. Nelson
General Superintendent
Indiana Harbor Belt Railroad Company
2721 161st Street
Hammond, Indiana 46323-1099

Roger A. Serpe
General Counsel
Indiana Harbor Belt Railroad Company
111 West Jackson Boulevard, Suite 2215
Chicago, Illinois 60604-3503

One copy of this letter is enclosed for filing at the Board. I have included an extra copy of this letter as well, and would request that you date-stamp that copy to show receipt

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of this filing and return it to me in the provided envelope. I certify that two copies of this letter have been served by overnight delivery on the Association of American Railroads.

Respectfully submitted,



William C. Sippel
Attorney for Indiana Harbor Belt
Railroad Company

WCS:tjl

Enclosures

cc: Mr. John J. Carroll, AAR
Roger A. Serpe, Esq.