



8 April 2008

Surface Transportation Board  
Attn: STB Ex Parte No. 677  
395 E. Street, SW  
Washington, DC 20423-0001

*Ex parte 677*



ENTERED  
Office of Proceedings

APR 14 2008

Part of  
Public Record

RE: Common Carrier Obligation – Railroads

Dear Sir or Madam:

The purpose of this paper is to present the position of JCI Jones Chemicals Inc. (JCI) regarding the issue of 'Common Carrier Obligation As a leading producer, repackager and distributor of chemicals used to treat public water and wastewater treatment systems throughout the U.S. and in particular, chlorine, JCI, has a vested interest in the importance of ensuring a continuous supply of chlorine to our repackaging facilities and ultimately to the end user, i.e., those responsible for treating those public water and wastewater treatment systems

The simple fact is that there are no other options available with respect to moving chlorine throughout the U.S other than by rail and no safer way. Well documented research has indicated that during the past 42 years, there have been 1.5 million rail shipments of chlorine, with only eleven breaches of the railcar due to collision or derailment While we are not minimizing the significant impact, either actual or potential, of this, this equates to 1 in 136,000 shipments of chlorine (0.0007%), and none of these breaches were caused by chlorine related issues.

The opposing question is, "what are the consequences of preventing the shipment of chlorine throughout the U S via rail?" The answer is simple but sobering; i.e., millions of American citizens will be prevented from having water safe to drink, cook, wash and bathe with. As Department of Homeland Security Secretary Michael Chertoff said during his presentation to the Sacramento Metro Chamber of Commerce almost exactly one year ago, "if we banned chlorine, you would not be able to drink the water, and people-literally thousands of people would die because of water-borne illnesses". The opportunity and privilege of having water safe to drink is something very few people understand and or concern themselves with today and yet the unavailability of this safe drinking water would result in immediate and serious consequences of catastrophic proportions from a public health standpoint This is not an issue of "not in my backyard" either as chlorine is used to treat both drinking water and wastewater in 98% of all municipal water and wastewater treatment facilities throughout the U.S. In other words, the unavailability of chlorine would have catastrophic consequences across the U.S..

Frequently mentioned has been the necessity of identifying inherently safer technologies (ISTs) and while there are municipalities that are actively pursuing a transition from treatment with chlorine to treatment with bleach, it's important to keep in mind that chlorine is one of two components used in the production of bleach Providing each and every pumping station and municipality with a \$50 million cell plant is clearly not a viable option and given this, it should be clear that permitting the railroads to forgo their common carrier obligation would result in a public health crisis of catastrophic proportions.



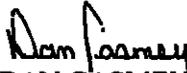
Equally concerning are the embargos and extremely high tariffs placed on railcars carrying chlorine, sulfur dioxide and sodium hydroxide that we have seen implemented by one railroad in particular in the Northeast. Allegedly due to increased federal scrutiny concerning the shipment of chlorine and other H/H/PIH products through highly populated areas as well as several bills introduced in Congress and proposed federal guidelines being discussed by the Transportation Security Administration, this railroad has abandoned their contract rate program and instead, has implemented a tariff rate program. In addition, 'special handling charges' are being assessed, the combined impact of which is that the cost of bringing railcars into our facility in the Northeast has quadrupled during the past nine months. With only 17 chlorine repackagers throughout the U.S., JCI being the largest, who will service the thousands of water and wastewater treatment facilities if JCI is forced to go out of business, regardless of the reason? What happens when municipalities solicit bids for their chlorine requirements and no one responds? What happens when treatment plants call in to place orders and no one answers the phone? The importance of the role that chlorine plays in the health and safety of our communities should not be taken lightly and or underestimated.

From a business standpoint, it is very difficult and expensive to enter the chlorine industry and all the proposed regulations aren't going to change the fact that chlorine has been for the past 75 years and will likely continue to be for the next 75 years, the best method for treating water and wastewater. Not every municipality, large or small, can afford to switch from chlorine to cell technology or even the use of bleach as the cost is staggering.

An equally critical issue is that in addition to the larger municipal water and wastewater treatment plants throughout the U.S., there are literally thousands of smaller 'pump' stations located in rural areas across the U.S. requiring one or two 150 pound chlorine cylinders at any time. How will these small pump stations be able to continue to provide water safe to drink to the residents they currently service? These small 'burgs' will have little to no other options for providing drinking water to their community and again, there are thousands of them located throughout the U.S.

It should be clear that the far reaching impact of discontinuing the shipment of chlorine throughout the United States will set us back decades in terms of public health. We trust that we have adequately addressed our concerns pertaining to the issue of common carrier obligation and hope that health and safety of the public will be the governing factor in this issue. We look forward to any opportunity to speak with you regarding this and should you have any questions pertaining to anything written here, please feel free to contact me at 1-330-825-4521.

Sincerely,  
JCI JONES CHEMICALS INC.

  
DAN CASMEY

Executive VP of Operations & Security

Attn: Mr. Jeffrey Jones, Chief Executive Officer, JCI Jones Chemicals Inc.  
Mr. Ryan Jones, Vice President of Operations, JCI Jones Chemicals Inc.  
Mr. Timothy Gaffney, EVP of Environmental Affairs, JCI Jones Chemicals Inc.  
Congressman Vern Buchanan, Sarasota, Florida  
Mr. Shane Lieberman, Staffer, Congressman Vern Buchanan's Office