



January 28, 2011

Surface Transportation Board
Attn: Docket No. EP 704
395 E. Street, S.W.
Washington, DC 20423-0001

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Re: Review of Commodity, Boxcar and TOFC/COFC Exemptions, STB Docket No. EP 704

Members of the Board,

The Northwest Ohio Regional Economic Development Association offers this letter in support of the Board's review of exemptions from regulation for TOFC and COFC rail shipments. Our region is reliant on the efficiencies of freight rail to provide our manufacturers with the lowest possible rail costs for transit. However, present industry practices regarding trailer and container shipments on flat car leave some things to be desired.

It has been our experience that current practices by the Class I railroads in our region make it difficult for small and medium volume shippers to obtain access to TOFC or COFC services unless they are lucky enough to be located next to a bi-modal ramp facility. The costs to shuttle trailer and container shipments to a major ramp facility by truck are often prohibitive. In addition, the competitive need to load containers to weights for international shipments, which would preclude their movement over the highways in our area, limits the potential for use of TOFC and COFC services. This is especially true for movements for export, and limits our industries' ability to grow and compete in international markets. We would like to see the development of practices that would enable short line rail operators to provide their customers with TOFC and COFC service with full cooperation and support from their Class I connections.

I offer this example in support of our position. A large casting facility in northwest Ohio is currently shipping industrial castings for foreign assembly. These castings are currently loaded into shipping containers (COFC) at the casting facility and are hauled by truck to a rail ramp in Chicago where they are loaded onto flat cars for rail transport to destination. The shipper has conducted an internal cost analysis study that suggests that \$2.5 to \$3.0 million per year in transportation costs could be saved by eliminating the truck move to Chicago by loading the castings directly onto rail cars at the casting facility.

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Unfortunately, the Class I railroad serving this plant is reluctant to provide direct TOFC or COFC service at the shipment point. In contrast, a short line rail company nearby is more than willing to accommodate this type of service if it can be assured that competitive service is available for the long haul portion of the move via its connecting Class I railroad.

The popularity of TOFC and COFC freight movement has exploded since the regulatory exemption for these modes was granted in the 1980's. NORED asks that the Board investigate the reluctance of Class I railroads to offer interline COFC service with Class III connections for the benefit of American manufacturers needing access to these convenient and low-cost methods of transportation for export business.

Thank you for your consideration of our testimony.

Sincerely,

Jerry M. Hayes

Jerry M. Hayes
Legislative Committee Chairman
Northwest Ohio Regional Development Association

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