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May 5, 2025

Elizabeth McGrath- Advisor
Rail Energy Transportation Advisory Committee
395 E. Street SW
Washington DC 20423

Re: Request For Written Comments.

Dear Ms. McGrath:

The reason for this letter is to request written comments before the Rail Energy Transportation Advisory Committee relative to:

Rail movement of distillates, policy, regional history, commerce and impact to local communities.

Sincerely

Steven Connolly.

Ms. Elizabeth McGrath- Advisor

Request for Written Comments

May 5, 2025.

At least a decade ago, if not longer there was studies done by both the University of Vermont and the Massachusetts Institute of Technology looking at the movement of distillates by rail in New England. Both of these studies revealed that these rail-based moves lowered consumer pricing and strengthened the energy marketplace.

There have significant changes since both of these studies were completed circa 1991-1998 but it is the lasting and changing impact as the reason(s) why I'm submitting these comments.

Noticeable in heating oil and unleaded gasoline I've seen reports that the movement of these commodities via rail instead of trucks can and did lower the consumer prices by at least .15 cents a gallon. During this period of time there was also a great deal of liquidity and transparency in the energy markets as well. For example. West Texas Intermediate (WTI) Crude Oil could be traded on regulated exchanges such as the NYMEX with margins such as \$900.00/ \$750.00.

Today all of this is gone.

New England has lost over 2/3 of its industrial base, particularly paper, and this has caused numerous restructuring and abandonment of railroad lines. Meanwhile, volatility and raw, often unchecked speculation in commodity trading has caused what I think is the over-regulation of commodity pricing, margins and the ending of small to intermediate trading strategies which, in turn, affects local communities. Margin increases \$6,019 / \$5,766

Source: NYMEX Crude Oil Futures Margins. CME 5/5/25.

In addition to the reliance to trucking tariff rates there is now a proposal to end all financial contributions to the Low-Income Energy Assistance Program which is active all across Maine, New Hampshire and Vermont.

I'm asking your committee to consider the impact of rail transportation of needed energy commodities as both a resource but as a matter of important impact and local policy.

Steven Connolly

