

STB Ex Parte No. 657, *Rail Rate Challenges Under the SAC Methodology*

Thank you, Chairman Nober. Good Morning, and let me add my welcome to our panelists and those attending the hearing today.

There are a number of issues surrounding the stand-alone cost methodology about which the parties to these proceedings have reached diametrically opposed views. Even on the fundamental question of how this debate should be framed, namely, in which manner it should be approached, the parties are at odds. It is my hope that we could address each of the SAC-related issues on an individual basis while also addressing the broader questions of accessibility and affordability of our processes.

As we proceed today, I would also like to repeat a comment that I made at the small rate case hearing, and that is we must come to a consensus that will satisfy not only the parties before us, but also the public interest and the courts. However, though the SAC

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approach may well have passed muster with the courts, it also works to exclude the vast majority of shippers who would seek rate relief, and in so doing, may not be the best approach to safeguarding the public interest. We must do our best to find an appropriate solution to this quandary, and I look forward to hearing some creative suggestions from today's witnesses.