

**SURFACE TRANSPORTATION BOARD BEGINS INVESTIGATION OF RATES CHARGED
FOR PIPELINE TRANSPORTATION OF ANHYDROUS AMMONIA**

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**SURFACE TRANSPORTATION BOARD
BEGINS INVESTIGATION OF RATES CHARGED
FOR PIPELINE TRANSPORTATION OF ANHYDROUS AMMONIA**

Surface Transportation Board (Board) Chairman Linda J. Morgan announced today that the Board has begun an investigation of recent rate increases assessed by Koch Pipeline Company, L.P. for the transportation of anhydrous ammonia, a commodity used in the manufacture of fertilizer.

The investigation was initiated, and a procedural schedule established, to consider the complaints of CF Industries, Inc., and Farmland Industries, Inc. (collectively, "complainants"), alleging that rate increases on movements of anhydrous ammonia via pipeline from production facilities in southern Louisiana to several Midwestern states are unreasonable, and that the current rates unfairly discriminate against the complainants' shipments.

The Board indicated in its decision that, in seeking to show that the rates are unreasonably high, the complainants may use any methodology that is consistent with the "constrained market

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pricing" (CMP) principles the Board uses as evidentiary guidelines in railroad rate reasonableness cases CMP is a rate review methodology that sets limits on how much a carrier may charge for its services.. The Board's decision in this case stated that, absent a showing of unreasonable discrimination, and consistent with language included in the ICC Termination Act of 1995, the Board will not review the pricing of pipeline transportation services at those points at which the complainants have effective competitive alternatives.

The Board issued its decision in CF Industries, Inc. v. Koch Pipeline Company, L.P., Docket No. 41685, today, May 14, 1997.

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