

CAL DOOLEY
PRESIDENT AND CEO



February 2, 2017

The Honorable Ann Begeman
Acting Chairman
United States Surface Transportation Board
395 E Street, SW
Washington, DC 20423

The Honorable Daniel Elliott III
Commissioner
United States Surface Transportation Board
395 E Street, SW
Washington, DC 20423

The Honorable Deb Miller
Vice Chairman
United States Surface Transportation Board
395 E Street, SW
Washington, DC 20423

Dear Acting Chairman Begeman, Vice-Chairman Miller and Commissioner Elliott:

On behalf of the American Chemistry Council, I am writing to request that the Surface Transportation Board provide certain information related to Stand Alone Cost (SAC) challenges brought by carload shippers.

One of our shared objectives is to ensure that the STB's rate complaint procedures are accessible to *all* captive shippers. It is widely recognized that the SAC rate standard is too costly, too time consuming, and too unpredictable. Based on the experiences of our member companies, we believe that the SAC process is particularly unworkable for carload shippers with complex shipping patterns. And has been noted in recent STB decisions, there is significant doubt about "whether the SAC process can provide a meaningful gauge of rate reasonableness for carload traffic shippers." We strongly support the Board's efforts to improve rate case procedures and to develop a new, more practical and economically supported approach.

As one small step in this effort, ACC requests some basic information about rate SAC rate challenges brought by carload shippers. Specifically, we ask the Board to provide the following:

- A list of all SAC cases for carload shippers, with a brief digest of the outcomes;
- The average length of time it has taken to complete these carload rate cases;
- A list of Revenue to Variable Cost (RVC) ratios from these cases where the Board ruled that challenged rates had not been shown to be unreasonable;
- Any information available to the Board on the relative cost to shippers and to railroads to litigate carload cases compared to coal cases;



We believe this data will be helpful to a broad range of rail stakeholders. Some of the widely cited estimates of the cost and time required to litigate SAC rate cases are outdated and understate the challenges facing carload shippers.

Thank you for your consideration of this request. Please feel free to contact me or my staff if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Cal Dooley". The signature is written in a cursive, slightly slanted style.

Cal Dooley