

March 6, 2000

Surface Transportation Board
Office of the Secretary
Case Control Unit
Attn: STB Ex Parte 582
1925 K Street, NW
Suite 700
Washington, DC 20423-0001

Dear Sirs,

The Clean Fuels Development Coalition (CFDC) is urging action to encourage competition within the railway industry. CFDC does not often weigh in on matters that do not directly impact fuel usage, but in this case it is important that we make an exception.

The impacts of a lack of competition in the rail industry is felt throughout our membership – from ethanol and chemical producers with problems, including higher prices, with shipping feedstocks and finished product to farm organizations facing higher prices to market their products.

In 1997, the lack of railway competition had a very direct impact on our membership. When Union Pacific purchased the Chicago Northwestern line and then merged with Southern Pacific, there was a shortage of locomotives to move the railcars needed to get product to the Northwestern markets. Travel time to get product to market stretched from 7 – 12 days to up to 20 – 40 days. This problem was especially evident for ethanol producers struggling to get product to market.

This near crisis situation has continued, though it has improved slightly. However, recent developments in fuel usage in California may require more ethanol to travel the rails to meet an emerging market. If this happens, it is likely that the reduced rail competition to reek havoc on producers trying to meet the market needs.

CFDC is in agreement with the Alliance for Rail Competition and the Chemical Manufacturers Association that action must be taken to keep the nation's rail lines open and competitive.

Thank you for considering our position. CFDC stands ready to provide more information if it is necessary.

Sincerely,

A handwritten signature in cursive script that reads "Douglas A. Durante".

Douglas A. Durante, Executive Director
Clean Fuels Development Coalition