

# THE DAILY ADVERTISER

## **Changes are needed in railway rules**

Editorial  
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In a recent opinion column, The Advertiser looked at changes in railway-system rules that have resulted in a major reduction of the number of railway companies and made them exempt from anti-trust laws. The Surface Transportation Board, which replaced the Interstate Commerce Commission, created rules that strongly favor the railway companies.

Lafayette is hit hard by the rules. They force the Lafayette Utility System to pay monopoly-set rates for the shipment of coal from Wyoming's Powder River Basin to the Rodemacher 2 coal-fired power plant in Boyce. LUS officials say Lafayette is paying \$15 million per year more than it would if rail systems were competitive.

Chemical companies, which are important elements of Louisiana's economy, are also affected. Total Petrochemicals USA Inc. operates a production facility at Carville served exclusively by the Canadian National Railway. In LaPorte, Texas, TPI operates the world's largest single-site polypropylene facility. That facility has access to more than one railroad.

If it currently costs TPI \$1,000 to ship one rail car of polystyrene from the Carville plant to New Orleans (approximately 81 rail miles away), it would cost \$1,234 to ship one rail car of polypropylene from its Texas facility to New Orleans - approximately 405 miles away.

BASF is one of the largest chemical companies in North America, producing key raw materials for a variety of industries. David J. McGregor, BASF's senior vice president, NAFTA logistics, says the railway situation "sounds more like the 1800s, and tales about dealing with one of the famed railroad barons - not the year 2007 where everyone, except the railroads, compete on a level playing field."

Gary W. Spitzer, vice president/general manager of DuPont Chemical Solutions Enterprise, testifying before the House Transportation & Infrastructure Committee last year, cited effects of "mediocre rail service and cost increases" on production of items for the military. He cited the Dupont plant in Virginia where Kevlar, the fiber used for body armor for our troops in Iraq and Afghanistan, is produced. DuPont, he said, is captive to CSX; no other railroad serves the plant, and there is no practical alternative form of transport for on-time delivery of raw materials. On several occasions, according to Spitzer, shipments of essential raw materials run more than five days late."

Companies are trying to fight back by pushing for congressional passage of Senate Bill 953 and House Resolution 2125. The goals of the proposed legislation are to ensure effective competition between rail carriers, reasonable rates for rail customers in the absence of competition and efficient transportation.

The STP rules and the exemption from anti-trust laws cost all of us. We urge individuals, companies and public agencies to support the effort to correct this blatantly unfair and extremely costly situation.