

SURFACE TRANSPORTATION BOARD

Docket No. EP 755

FINAL OFFER RATE REVIEW

Summary of Video Con. Meeting between Solvay America, Inc
and Surface Transportation Board Commissioner Patrick Fuchs
July 14, 2020, 3:45pm ET

ENTERED
Office of Proceedings
July 17, 2020
Part of
Public Record

Solvay Attendees: Mike Lacey, President; Fred Radvansky, Senior Rail Buyer for Inland Logistics North America; Carlos Escobar, Commercial Operations Senior Lawyer; Dave Cetola, VP Government Affairs North America; Elizabeth Boylan, Advisor for Government Affairs North America

STB Attendees: Commissioner Patrick Fuchs, Lisa Novins

The meeting began with introductions. Solvay thanked the Board for the opportunity to weigh in on Final Offer Rate Review (FORR). Solvay stated rail service is a large and critical component of Solvay's global supply chain and Solvay highlighted the large volume shipped by its businesses over hundreds of rail routes across North America.

Solvay's view of FORR is overwhelmingly positive. FORR would provide a fair process for rate review that would be cost-effective, efficient and handled within a fixed period.

The discussion covered the intent of the proposed FORR process in contrast to the existing stand-alone cost (SAC) process, which Solvay stated is manifestly unfair to shippers. Solvay seeks a fair process that is available for use when necessary to keep railroads and shippers honest. The mere existence of FORR would provide an incentive for railroads and shippers to negotiate fair rates, which would make the use of the FORR process unnecessary.

Solvay described its substantial operations in Green River, Wyoming that are captive to one railroad.

Commissioner Fuchs described the Board's intent behind the Board's rate reform efforts. Participants discussed how the FORR process and potential additions to it might work in practice. Commissioner Fuchs noted that he welcomes input to improve the rule, and that the Board intends to take action on rate review-related measures in 2020. He noted, as indicated in their filings and meeting summaries, that the railroads have raised the possibility of arbitration as part of the process and Commissioner Fuchs asked for Solvay's views on arbitration. Solvay replied that it would need to see a proposal on arbitration before taking an official position, but is seeking a dispute resolution process that's fair. Solvay stated a fair process would include things like neutral arbitrators and a structure that would include things like reasonable deadlines and access to information.

In summary, the Commissioner Fuchs stated that the Board appreciates hearing from trade associations but it is also important to hear from shippers directly. Solvay thanked the participants and committed to continuing the dialogue from a shipper perspective.