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Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

Re: STB Docket No. EP 770, *Urgent Issues in Freight Rail Service*

Dyno Nobel Inc. ("Dyno Nobel") appreciates the opportunity to submit these written comments to the Surface Transportation Board ("STB" or "Board") regarding the large number of rail service issues experienced by Dyno Nobel at its Cheyenne, Wyoming and Louisiana, Missouri facilities.

Identity and Interest of Dyno Nobel

Dyno Nobel is a leading manufacturer and supplier of commercial explosives, agricultural fertilizers, and industrial chemicals in the United States, Canada, and Latin America, headquartered in Salt Lake City, Utah. The company ultimately traces its roots to Alfred Nobel, who invented dynamite in the mid-1800s. Dyno Nobel depends on reliable and cost-effective rail service to and from its ammonium nitrate production facilities to meet its manufacturing production requirements and its customers' service needs.

Recent Dyno Nobel Rail Service Issues

(1) Cheyenne Plant

Dyno Nobel owns and operates a nitrogen facility located in Cheyenne, Wyoming (the "Cheyenne Plant") served by the Union Pacific Railroad Company ("Union Pacific"). The Cheyenne Plant has experienced a number of significant operational impacts because of various service changes instituted by Union Pacific in recent years. These changes include a reduction in the number of times per week that Union Pacific services the Cheyenne Plant as well as changes made by Union Pacific to its Electronic Data Exchange (EDI) and Reporting system without adequate testing. In addition, Union Pacific's reduction in its local railyard switch crew personnel and elimination of its railyard tower personnel have had major negative impacts on service to the Cheyenne Plant.

On its own, without prior consultation or approval, and with little advance notice, Union Pacific decided to reduce service to Dyno Nobel by eliminating one of the Cheyenne Plant's rail switch days. As a result of this change, Dyno Nobel was unable to maintain four switches for the Cheyenne Plant and struggled to get Union Pacific to provide switches on days that worked for the Cheyenne Plant. Because of the eliminated switch day, the Cheyenne Plant has required more "special switches" during the work week. Although Union Pacific informed Dyno Nobel that we would not be charged for any such special switches made from Monday to Friday, Union Pacific has charged Dyno Nobel for

every special switch provided since this change occurred. Dyno Nobel has had to contact our Union Pacific Customer Service Representative in each of these instances to have the charges removed.

Union Pacific's changes to its Electronic Data Exchange (EDI) and Reporting system have increased the time required to enter Union Pacific shipments and have made it very difficult to accurately track railcar movements. Without accurate railcar tracking, the Cheyenne Plant cannot predict railcar inventories in order to support our customers.

Also, because of reduced manpower at the Union Pacific Cheyenne Railyard, Dyno Nobel has experienced significant delays in railcar switch service. On three occasions, Union Pacific replied to our special switch request with an uncertain availability response, and as a result the Cheyenne Plant had to cancel the special switch request. Union Pacific has also missed three regular switches to the Cheyenne Plant over the past year. One of the missed switches was because of record snow fall last spring while the other two were because of manpower issues at the Union Pacific Cheyenne Railyard. On two occasions, the Union Pacific switching crew left our outbound switch in the Dyno Nobel railyard and left their locomotive chained down outside of the Cheyenne Plant's rail gate overnight because the switching crew ran out of work hours.

As a result of Union Pacific's elimination of its railyard tower personnel, communication between Dyno Nobel and the Union Pacific switch crew has been very poor. On several occasions, the Union Pacific switch crew has arrived at the Cheyenne Plant unannounced, and as a result they were required to wait on the Union Pacific main rail lines outside the Cheyenne Plant until the Dyno Nobel track crew could clear the railyard sufficiently to create space for them. When the Union Pacific switch crew informs the Dyno Nobel track crew that they are en route to the Cheyenne Plant, often they are still several hours from arriving because they cannot get approval from the Union Pacific operations group to proceed onto the main line.

Union Pacific has decided to perform destination switching of railcars to the Cheyenne Plant outside of its local Cheyenne Railyard because of its workforce reductions. Railcar destination switching is now completed much further away in North Platte, Nebraska or La Salle, Colorado, causing significant delays to railcars arriving at the Cheyenne Plant.

Perhaps the most significant rail service issue that the Cheyenne Plant has faced with Union Pacific relates to the arrival times of our switching service. The Cheyenne Plant has two full-time switch crew operators that begin their work shifts at 5:00 a.m. These operators are tasked with weighing all the rail cars that are loaded or offloaded overnight or through the weekend, building the Cheyenne Plant outbound switch, and delivering the required shipping paperwork to our Distribution Services Coordinator by 8:30 a.m. The Distribution Services Coordinator must have the information entered into the Union Pacific EDI system before 9:00 a.m. The switch crew operators must then receive the Union Pacific inbound switch, weigh all inbound tank cars, and spot the railcars at the loading stations so they can be loaded or offloaded overnight or through the weekend. Dyno Nobel has consistently requested that the inbound switch be delivered to the Cheyenne Plant at 11:00 a.m. in order to allow the Dyno Nobel track crew sufficient time to complete this work. However, the inbound switches delivered by the Union Pacific switch crew most often arrive at the Cheyenne Plant after 2:00 p.m. The Dyno Nobel switch crew must still perform all the work of spotting and weighing railcars but

with a much smaller time window (or no time window) available to complete these tasks. This has resulted in a large amount of overtime by the affected Dyno Nobel personnel, creating increased fatigue and a higher risk of burnout.

The Cheyenne Plant has asked Union Pacific to move our EDI time requirement from 9:00 a.m. to 11:00 a.m. or 12:00 p.m. so that the Dyno Nobel track crew can start at 7:00 a.m. or 8:00 a.m. This would give the Dyno Nobel track crew additional time after the switch arrives in the afternoon. The EDI entry time does not affect the inbound Union Pacific switch receiving time. However, Union Pacific has refused to adjust the Dyno Nobel required EDI time, and since Union Pacific reduced their switch crew manpower, they have only provided the inbound switch to the Cheyenne Plant around 11:00 a.m. a couple of times in the past year.

The Union Pacific corporate office in Omaha, Nebraska has shown virtually no concern for the Cheyenne Plant as a customer. They certainly know that the Cheyenne Plant has no other options available for railroad service to the facility, yet they have made no effort to provide any relief or to propose any compromise to the Cheyenne Plant in order to resolve these issues. This lack of customer service is highlighted by the fact that Union Pacific has not provided the Cheyenne Plant with a Union Pacific Customer Satisfaction Survey in over three years.

(2) Louisiana, MO Plant

Dyno Nobel also owns and operates a nitrogen facility located in Louisiana, Missouri (the "Lomo Plant") served by the BNSF Railroad Company ("BNSF"). Because of BNSF's reduced local manpower, Dyno Nobel's Lomo Plant has experienced significant delays in railcar switch service. On five occasions over the past year, BNSF has cancelled regularly scheduled switches with virtually no advance notice. In each of these instances, the Lomo Plant was fortunate to have an ample supply of empty railcars to load in order to keep the facility in operation. However, outbound shipments were delayed due to the cancellations, resulting in inventory shortages across multiple customers. Keeping these customers in operation required emergent trucking at a much higher cost. The Lomo Plant has requested a special switch on several occasions due to railcar shortages onsite (using a Shutdown Notice Process), but these requests have been denied in every instance, with the result that the Lomo Plant has been forced to curtail production rates on several occasions due to inventory constraints.

Remedying Rail Service Issues

The Board's hearing notice suggests that it is considering further actions to address the existing rail service problems. Dyno Nobel strongly agrees that such additional actions are needed at this time. As explained above, both UP and BNSF have unfairly reduced service to Dyno Nobel. As discussed above, the carriers have been missing deliveries and pickups, delivered cars outside of designated service windows, have effectively closed local yards, and have implemented communication processes that are preventing Dyno Nobel from receiving and shipping its commodities in an orderly fashion. While Dyno Nobel has requested that the railroads take reasonable, corrective actions, the carriers have largely failed to do so to date.

Since the railroads have been unwilling or unable to correct their service deficiencies on their own, Dyno Nobel seeks the Board's assistance in helping to ensure its serving railroads meet Dyno Nobel's basic daily service requirements. As a start, the involved railroads should be required by the Board to meaningfully respond to the foregoing service

deficiencies, by providing a plan of corrective actions to the issues identified above necessary to restore good service to Dyno Nobel as soon as possible.

Conclusion

We appreciate the opportunity to submit these comments, agree with the Board about the need for the railroads to provide more reliable freight rail service in fulfillment of their common carrier obligations, and respectfully request that the Board require the railroads to undertake the above-referenced customer service protections.

Respectfully submitted,

Joshua Besser
Director Nitrogen Supply Chain