



A. L. Gilbert Company

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Oakdale, California 95361-0038

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Bulk Dairy Feeds

Sacked Feeds

Liquid Feeds

Field Seeds

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May11, 2018

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Ann D. Begeman

Chairperson

Surface Transportation Board

395 E Street, SW

Washington, DC 20423-0001

Office of Proceedings

June 1, 2018

Part of

Public Record

Deb Miller

Vice Chairperson

Surface Transportation Board

395 E Street, SW

Washington, DC 20423-0001

Re: Transportation of Animal Feed to the California Central Valley

A.L. Gilbert Company (A.L. Gilbert) requests that the Surface Transportation Board investigate and provide appropriate injunctive relief to help us ensure safe, efficient and dependable delivery of animal feed and feed ingredients that are essential to the California dairy industry.

A.L. Gilbert, founded in 1892 is a family owned organization that manufactures livestock feed, primarily serving the Dairy Industry, and employs approximately 250 people in Stanislaus County and other nearby counties.

California is a feed deficient state, i.e., there is not enough animal feed stocks grown or produced within the state to meet demand. Dairy farmers rely heavily on feed and ingredients produced in different geographical regions of North America. The only economically viable way to transport these feeds and feed ingredients to California is via Shuttle or Unit Trains, most of which necessarily consist of at least 100 cars.

A.L. Gilbert, as well as other feed manufacturers and ingredient suppliers rely heavily on Central Valley Ag Grinding, Inc.'s (CVAG's) Modesto, CA transload facility to receive these Shuttle and Unit Trains. CVAG then stores and transloads the livestock feeds and ingredients to our trucks for delivery directly to our customers' dairies and for use at one of our Manufacturing Facilities in Keyes and Oakdale. Both of our Manufacturing Facilities are within 15 miles of the CVAG Facility, while the majority of our customers' dairies are located within a 50-mile radius of the CVAG Facility.

In addition to having rail access, in order to receive Shuttle or Unit Trains a facility must have sufficient trackage for at least 100 cars and their locomotive power units. The facility must also have the infrastructure and most importantly the storage capacity for each different feed or ingredient and be able to unload one of these trains in a very short time period. These are very significant issues when considering the average 110-car train contains 11,000 tons of feed or ingredients.

Given A.L. Gilbert's long-time presence in the market, I am well aware of the availability, capabilities, and market reach of all of the regional transloading facilities. I am not aware of any other facility in the Central Valley that currently has the train receipt capabilities and storage capacity that would be required to absorb the Shuttle/Unit Trains that have historically been shipped to the CVAG Facility.

Additionally, Feed Manufacturers and suppliers in the California Central Valley are heavily regulated by various State, Regional and County Agencies. Moving the volume that currently goes through CVAG to any other Facility will require a lengthy, expensive and burdensome permitting process.

In short, if there were any other facilities with the capability to absorb the range and volume of feeds and ingredients that CVAG presently handles, they would be doing it today.

One additional consideration. As I mentioned earlier, both of A.L. Gilbert's Manufacturing Facilities are within 15 miles of the CVAG Facility and the vast majority of our customers are within 50-mile radius of the CVAG Facility. If we and others in our immediate area were forced to look to one of the transload facilities in the Southern Central valley 150 to 200 miles away, not only would the costs be prohibitive, the increased trucking miles and traffic congestion would make such an alternative utterly unfeasible. This is especially so when you consider the average 100 car train contains 440 truckloads.

MET's current actions to interfere with and block unit train service to CVAG-Modesto are causing us and our customers significant problems in terms of additional costs and a great deal of uncertainty. Currently we find ourselves in a dangerous situation in that we must keep our inbound pipeline full of ingredients in order to keep feed supplied to our customers' dairy cows, yet from one day to the next we don't know if we're going to be able to get trains unloaded when they arrive. Even the uncertainty of the availability of consistent train deliveries creates significant market volatility and business harm and needs to be addressed as soon as possible.

We urge the Surface Transportation Board to take appropriate actions within its powers to investigate and finally resolve this matter, as well as provide immediate interim injunctive relief to ensure continued unit train rail service to CVAG-Modesto.

Sincerely,



Robert Gallagher
Chief Operating Officer
A.L. Gilbert Co.
Oakdale & Keyes, CA

CERTIFICATE OF SERVICE

I hereby certify that I have this day served copies of the document upon
the Parties of Record in this proceeding by U.S. Mail or E-mail.

Signature  Date 6-1-18