

March 26, 2018

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BY E-FILING

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

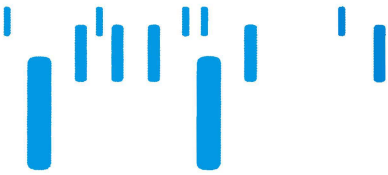
ENTERED
Office of Proceedings
April 9, 2018
Part of
Public Record

Re: Finance Docket No. 32760 (Sub-No. 46), BNSF Railway Company—Terminal Trackage Rights—The Kansas City Southern Railway Company and Union Pacific Railroad Company

Dear Ms. Brown:

I am writing on behalf of Lyondell Chemical Company, Equistar Chemicals, LP, and LyondellBasell Acetyls, LLC (collectively, “LyondellBasell”). I understand that BNSF Railway Company (“BNSF”) has filed a Petition to Establish Conditions of Use and Compensation (“Petition”) in the above-referenced docket. LyondellBasell supports the BNSF Petition and respectfully requests that the Board expeditiously issue an order that will allow BNSF to use the terminal trackage rights granted by the Surface Transportation Board (the “Board”) in Decision No. 3 in this proceeding to directly serve LyondellBasell’s facility at West Lake Charles, Louisiana.

- LyondellBasell (NYSE: LYB) is one of the largest plastics, chemicals and refining companies in the world. LyondellBasell produces materials and products that are key to advancing solutions to modern challenges like enhancing food safety through lightweight and flexible packaging, protecting the purity of water supplies through stronger and more versatile pipes, and improving the safety, comfort and fuel efficiency of many of the cars and trucks on the road. LyondellBasell has 13,000 employees with 55 manufacturing sites in 17 countries and our products are sold in approximately 100 countries. The company is the world’s largest licensor of polyolefin and polypropylene technologies.
- LyondellBasell’s Lake Charles Plant produces polypropylene that customers use to make clothing, food packaging, household furnishings, automotive parts, and home building materials. The physical site address is 4101 Highway 108 South, Westlake, LA 70669. The site footprint is 260 acres and has 250 employees and resident contractors. The main mode of transportation for moving product out of the site is by rail.

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- The Lake Charles facility was originally built in 1959 by Hercules. In 1983 the ownership changed to Himont and in 1995 the site became part of Montell Polyolefins. In 2000 the site transitioned to be part of Basell Polyolefins and in 2008 became part of LyondellBasell with the merger of Lyondell Chemical Company and Basell. LyondellBasell is the parent company of Equistar Chemicals, LP which is the legal entity the site operates under today.

As discussed in Decision No. 3, the Board conditioned its 1996 approval of the UP/SP merger on the requirement that BNSF be able to provide direct rail service to the LyondellBasell facility and other shippers in the Lake Charles area (the "Lake Charles Condition"). LyondellBasell's facility at West Lake Charles can receive rail service only via the Rosebluff Lead, and is clearly covered by the Lake Charles Condition, in that the facility is located at West Lake Charles, Louisiana. Because the Lake Charles Condition was intended to benefit shippers in the Lake Charles area like LyondellBasell, LyondellBasell has the independent right to receive BNSF direct service under this condition.

BNSF has provided service to the LyondellBasell facility via reciprocal switching performed by UP, pursuant to the Lake Charles Condition and a transportation contract between LyondellBasell and BNSF. This reciprocal switched service is operationally limited and inefficient, and LyondellBasell requires direct BNSF service to the West Lake Charles facility in order to receive predictable, effective, and competitive rail service. Without the BNSF providing direct service to the facility it takes LyondellBasell traffic two or more extra days of transit time for the hand off to occur to the BNSF increasing costs and decreasing efficiency. After learning that the Board granted BNSF terminal trackage rights over the Rosebluff Lead, LyondellBasell requested that BNSF provide such direct service.

LyondellBasell has reviewed the operating plan for direct BNSF service to the LyondellBasell facility proposed by BNSF in its Petition. Based on our understanding of rail operations in the Lake Charles area and of the rail facilities contained within the LyondellBasell facility, LyondellBasell believes that the operating plan is practicable and would not substantially impair UP's and KCS's ability to handle their own business.

It is nearly twenty-two years since the Board approved the UP/SP merger subject to the Lake Charles Condition, and nineteen months since the Board granted BNSF terminal trackage rights. Yet LyondellBasell and other similarly situated Lake Charles area shippers still cannot receive direct BNSF service over the Rosebluff Lead. LyondellBasell respectfully requests that the Board grant BNSF's Petition and allow BNSF to implement the terminal trackage rights granted by the Board.

Please contact me if you have any questions. Thank you.

Sincerely yours,



Natalie Nichols
Rail Logistics Commercial Manager

I 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 Natalie Nichols Date April 9, 2018