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Ann D. Begeman | Acting Chairman
Office of Proceedings - Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20024
RE: STB Filing FD-36137-0

ENTERED
Office of Proceedings
October 6, 2017
Part of
Public Record

Dear Ms. Begeman,

Our company, Kokomo Grain is one of the largest independent grain companies headquartered in Indiana. It has a total of 10 facilities located in state and in Tennessee with a federally licensed capacity of 50 million bushels. Customers include both domestic and export markets. Successful grain marketing is highly sensitive to price. Cost effective rail service is one of the cornerstones of our business.

We source grain from farms in many counties including Hamilton and Tipton, both traversed by the Hoosier Heritage Port Authority line.

This grain currently moves from farms in that territory by truck to our rail served facilities at Kokomo and Amboy in Howard and Miami counties. Our knowledge of local markets indicates a significant share of this grain could be transferred directly to rail on the HHPA line if rail service were available.

The present length of haul imposes additional fuel and labor costs on farmers and adds to highway congestion, crash, noise and air pollution costs according to FHWA estimates. It is unlikely that the comparatively low and stable fuel prices the nation enjoys will continue indefinitely.

Rail service in north central Indiana is dominated by NS. This line could provide access to CSX competition at Indianapolis as well as NS at Tipton to help insure that price sensitive agricultural commodities in its territory remain viable in national and international markets.

The Hoosier Heritage Port Authority was established to preserve the rail line and benefit Hamilton Tipton and Marion counties. To our knowledge it has shown little or no interest in fulfilling this aspect of its charter. (Nor, did it protest when CSX and NS removed their connections to the line).

We believe the evidence shows the line is a substantial asset for north central Indiana with significant commercial potential that could benefit our company and hundreds of area farms.

Our estimates based on knowledge of the market suggest that the line could generate as many as 1900 carloads per year of whole grains (Corn STCC 1132, Wheat 1137, Soybeans 1144).

We are opposed to efforts to sever or otherwise impair the value of the line to serve its original purpose. We urge the STB to decline the railroad Owners' petition in order to protect and preserve future rail service along this line.

Sincerely,

A handwritten signature in black ink, appearing to read 'Thomas J. Madru', written over a horizontal line.

Thomas J Madru
Grain Manager
Kokomo Grain Company Inc.

