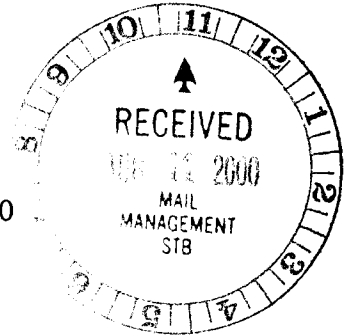
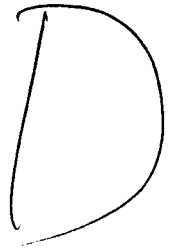


August 10, 2000



Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20006

Re: Docket No. 42052, Union Pacific Railroad Company-
Petition for Declaratory Order—Unilaterally Imposed
Interchange Charges



Dear Secretary Williams:

My name is Robert A. Sieffert, and I am Director of Supply and Logistics Management for Cerestar USA, Inc. I am responsible for all transportation activities of this company.

Cerestar USA is a corn refiner with plant locations in Alabama, Texas, and Indiana. The Hammond, Indiana plant is our largest facility, and it is a rail-dependent plant served by Indiana Harbor Belt Railroad and Norfolk Southern. This plant has a capacity to grind 115,000 bushels of corn each day, which is the equivalent of 33 jumbo railcars. It is also important to note that this is a process facility operating 24 hours per day, seven days per week. Approximately 50% of Hammond's inbound corn is received by rail, and approximately 70% of outbound finished products (syrup, starch, feed) are shipped by rail. This represents thousands of revenue rail shipments annually. The railroad is literally the lifeline to Cerestar's Hammond, Indiana plant.

We understand that the Union Pacific Railroad has asked the Board to invalidate an IHB charge which applies when a railroad such as UP refuses for more than nine hours to accept cars for interchange to it, requiring IHB to store the cars somewhere on its lines or in its yards until the railroad decides to accept them.

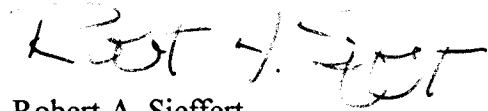
We strongly support retention of this charge and any other reasonable incentives that work to discourage railroads from allowing cars to sit on the IHB or on any railroad in the Chicago Terminal. Such practices contribute to congestion on IHB and that hurts our business. Cerestar operates a fleet of more than 1600 private railcars. This is an enormously expensive asset that must be used efficiently. Rail congestion in the Chicago terminal has a profoundly bad effect on both the utilization of our rail fleet, and on the operation of the Hammond plant. Congestion problems related to recent rail mergers have forced Cerestar to lease more than 100 additional railcars, at Cerestar's expense, in

order to prevent shutdowns at plants of our customers. Rail congestion also forces additional traffic to trucks, which increases highway congestion and again raises the cost of doing business for Cerestar. IHB's charge is an incentive to keep the Chicago terminal fluid, and it provides a means to hold other carriers accountable for their actions.

I strongly urge the Board to uphold IHB's charge.

Ten copies of this submission are attached for filing along with this original. A copy has been mailed to the parties on the attached service list.

Respectfully submitted,



Robert A. Sieffert
Director of Supply and Logistic
Management

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