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Vice President, Government Relations

December 2, 2005

Mr. Vernon Williams
Secretary
National Surface Transportation Board
1925 K Street, NW
Suite 700
Washington, DC 20423

Office of Proceedings
DEC 02 2005
Public Record



RE: Ex Parte No. 6565 (Sub. No. 1), Investigation of National Classification Committee Practices

Dear Secretary Williams:

The National Electrical Manufacturers Association (NEMA) seeks to provide additional input into the evaluation and related decision of the above referenced matter. NEMA is the leading trade association in the United States representing the interests of electroindustry manufacturers. Founded in 1926 and headquartered near Washington, D.C., its 400 member companies manufacture products used in the generation, transmission and distribution, control, and end-use of electricity. Domestic shipments of electrical products within the NEMA scope exceed \$100 billion.

Of particular concern is the method and rationale the trucking industry exercises over the classification system of shipments in interstate commerce. In a widely deregulated economy, where competition and the shipment of goods and services has been transformed, the role and relationship of the National Classification Committee (NCC) has outlived its useful and productive life.

As other comments and communications from shipping stakeholders indicate, the leading associations representing the interests of commercial, residential and industrial lighting manufacturers invested considerable time and resources in presenting a thorough, reasoned and substantive case to outline the need to maintain the current classification system.

Combined, the two associations, the American Lighting Association and the National Electrical Manufacturers Association, have over 1600 members. The data submitted to the NCC represented well over a million shipment points. The NCC showed a fraction of that based on outdated and singular data without input from other respected sources.

**National Electrical
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The NCC docket proposals and meetings present important opportunities to discuss docket contents. Lighting company and association representatives participated in all of these meetings. These meetings are traditionally held at accessible, central metropolitan city locales. The August 2004 NCC docket was the last best opportunity to provide "public" input to the panel on the lighting shipment data docket proposal.

No less than eleven lighting manufacturing representatives traveled to suburban San Diego for the scheduled meeting (indeed, the meeting was conducted at a pristine location which effectively shut out participation due to its exclusivity, distance and costly location; a more accessible locale likely would have assisted to facilitate a more useful discussion). The lighting representatives sought to engage in a substantive exchange of views and materials in order to review data and proposed classification changes. No such exchange ever occurred; indeed, the "hearing" provided no exchange of views and the vote was held with a lopsided outcome of 33 in favor, one opposed and one abstention. This outcome is supported by the fact that the NCC is comprised of, and funded by, carriers.

While arbitration was an option proposed to us by NCC representatives, it was entirely possible that the panel would have been comprised of only carrier representatives, and utilize only the NCC data and record. Arbitration would have been a useless and expensive exercise.

We urge the Surface Transportation Board to eliminate antitrust immunity for the National Classification Committee (NCC). Maintaining this special status for a competitor, namely the trucking industry, in the U.S. marketplace sets customers and other end users at a competitive disadvantage. The current climate supports negotiated rates between shippers and their carriers: such actions, which are true competitive efforts vetted through the marketplace, effectively negate the need for an antiquated, protected, and bureaucratic regime mandated by the NCC.

Thank you for the attention to the comments of the National Electrical Manufacturers Association. If you have further questions, comments or concerns with regard to these, or other matters of mutual interest, I may be reached at (703) 841-3274, or via electronic mail at kyl_pitsor@nema.org. You may also contact Douglas Troutman, Counsel, Government Relations at (703) 841-3245 or dou_troutman@nema.org.

Sincerely Yours,



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