

BEFORE THE
SURFACE TRANSPORTATION BOARD

Ex Parte No. 646 (Sub-No. 1)

RAIL RATE CHALLENGES IN SMALL CASES

CF Industries, Inc. (CFI), a wholly owned subsidiary of CF Industries Holdings, Inc., is one of the largest manufacturers and distributors of nitrogen and phosphate fertilizer products in North America. Our operations are organized into two business segments: the nitrogen fertilizer business and the phosphate fertilizer business. Our principal products in the nitrogen fertilizer business are ammonia, urea and urea ammonium nitrate solution, or UAN. Our principal products in the phosphate fertilizer business are diammonium phosphate, or DAP, and monoammonium phosphate, or MAP. CFI is a frequent rail shipper, moving in excess of 3 million tons of mostly single rail car traffic and could logically fit into any one of the proposed categories. Of course, this is entirely dependent upon the final decision made by this Board. Therefore, we share a concern and will be directly impacted by the outcome of Ex Parte 646.

CFI is also a member of The Fertilizer Institute (TFI) and supports their comments as part of a response presented by Interested Parties, comprised of **American Chemistry Council, American Forest and Paper Association, American Soybean Association, Colorado Wheat Administrative Committee, The Fertilizer Institute, Glass Producers Transportation Council, Idaho Barley Commission, Idaho Wheat Commission, Institute of Scrap Recycling Industries, Montana Wheat and Barley Committee, National Association of Wheat Growers, National Barley Growers Association, National Corn Growers Association, National Council of Farmer Cooperatives, National Farmers Union, National Grain and Feed Association, National Sorghum Producers, The National Industrial Transportation League, National Oilseed Processors Association, National Petrochemical & Refiners Association, Nebraska Wheat Board, North American Millers Association, North Dakota Grain Dealers Association, North Dakota Public Service Commission, North Dakota Wheat Commission, Oklahoma Wheat Commission, Paper and Forest Industry Transportation Committee, PPL EnergyPlus, LLC, South Dakota Wheat Commission, Texas Wheat Producers Board, USA Rice Federation, Washington Wheat Commission, Alliance for Rail Competition, Consumers United for Rail Equity.**

We are specifically concerned that the Board's proposal is not consistent with the need for expedited, simple, clear and cost-effective rules. Also the Board's eligibility requirements for small, medium and large rate cases really addresses small shippers rather than small rate cases. This has the affect of placing most shippers, including CFI, under the large rate case guidelines.

CFI agrees with the Interested Parties in that it believes the Board should:

- 1) Dramatically revise the eligibility threshold,
- 2) Withdraw its Simplified Stand Alone Cost proposal for "medium" cases,
- 3) Eliminate the aggregation rule,
- 4) Revise the proposed Three Benchmark Rule,
- 5) Eliminate the confidence interval,
- 6) Adopt procedures that will permit determination of a complaint within 180 days.

Respectfully submitted,

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