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AMERICAN SHORT LINE AND REGIONAL RAILROAD ASSOCIATION
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November 1, 2007

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
395 E Street SW
Washington, D C 20423-0001

Re STB 646 (Sub-No. 1) Simplified Standards for Rate Cases Response
to Motion for Reconsideration

Dear Secretary Williams

The American Short Line and Regional Railroad Association (ASLRRA) writes to affirm its support for the Board's decision in this matter to limit small rate cases against class II and class III railroads involving purely local short line movements to the Simplified SAC methodology. In its earlier Comments in this proceeding ASLRRA noted that imputing class I data to short line movements is particularly speculative and inaccurate and the Three Benchmark test would unquestionably create unsupportable anomalies and outcomes. Further, as the Board correctly noted in its decision, the absence of reliable data on purely local movements over class II and class III railroads would mean modifying the so-called Three Benchmark methodology to the extent that it would virtually mirror the cost and complexity of a simplified SAC approach. Thus, ASLRRA agrees with the Board's conclusion that the more reliable and tested Simplified SAC methodology should therefore be used.

This is sound logic, especially in view of the typically disparate size differential between small railroads and the giant industrial shippers who have most actively pursued small rate case procedures. The cost of the simplified SAC methodology can well be borne by these shippers, especially when the stakes for the small railroads they challenge are so high and the less accurate three benchmark approach would at the end of the day be just as expensive. It is only reasonable and fair that life threatening rate challenges against small carriers employ the most accurate and tested methodologies available, not the more speculative and imprecise methods used in the three-benchmark approach.

The Board's Decision has limited the use of the simplified SAC methodologies solely to local short line movements. Those are the matters in which the small railroads would stand alone against the juggernaut of large industrial shippers. It is appropriate to assure in those cases that the methodologies used against these carriers are comprehensive and certain.

For these reasons ASLRRRA urges the Board to reaffirm its Decision with reference to purely local short line movements to limit small rate challenges to the simplified SAC methodology and to reject the call of those parties who ask for reconsideration of that issue

Respectfully submitted.

Keith T Borman

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