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October 1, 2006

Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

RE: Rail Fuel Surcharges, Docket ID No. EP_661_0 (STB Ex Parte No. 661)

On behalf of members of the Agricultural Retailers Association (ARA), which represents the nation's agricultural retailers and distributors, I am writing in support of the Surface Transportation Board's (STB) proposed measures regarding railroad practices involving fuel surcharges.

Our nation's railroad system is a central transportation conduit for the delivery of crop input materials such as fertilizers and pesticides; agricultural commodities for food, feed and fiber; and fuel and coal for energy. Excessive rail fuel surcharges cause undue economic hardship on the U.S. agriculture industry. There have been reports by shippers of fuel surcharges being imposed by the railroads that bear no direct relationship to actual fuel consumption and seem instead to be used as a "profit center."

Transparency and accountability will be greatly improved with the STB's proposed measures, lending to improved confidence in the rail industry. A specific formula to determine a fair fuel surcharge is an essential component of renewing this trust. Ending the practice of "double dipping" and mandating a uniform index for measuring fuel-cost increases will also benefit the agriculture industry. Finally, making Class I railroads responsible to consumers and more easily regulated by the STB through detailed monthly reports on fuel surcharge figures is a critical element of combating railroad abuses.

The ARA is committed to resolving this costly issue for our nation's farmers and retailers. If you have any further questions regarding this situation, I may be reached at 202-457-0825 or via e-mail at richard@aradc.org. Thank you for your review and consideration of our views regarding this important matter.

Sincerely,

A handwritten signature in blue ink, which appears to read "Richard D. Gupton", is written over the "Sincerely," line.

Richard Gupton
Director of Legislative Policy & Counsel