

# BNSF Railway Company

## Ex Parte No. 677(Sub-No.1) Common Carrier Obligation of Railroads- Transportation Of Hazardous Materials



July 22, 2008



# Policy Issues Raised By Transport of These Commodities

- **The risks associated with these commodities we are required to assume as common carriers are unquantifiable and uncontrollable.**
- **The potential for an accident cannot be fully eliminated.**
- **Insurance is not commercially available to sufficiently protect us against catastrophic loss.**
- **There are limits on the availability of insurance, at ever-increasing cost. Our insurance costs increased substantially after 9/11.**

# Insurance Markets

- **The market for railroad liability insurance has contracted substantially over the past several years.**
- **Five years ago, rails were able to purchase in excess of \$1.5 Billion in coverage; today, available coverage is about \$1.0 Billion.**
- **Number of insurance companies willing to write freight railroad insurance has decreased, while the price charged for remaining coverage has increased dramatically.**
- **Required self retention levels have also increased.**

# **ATTACHMENT 1**

**BNSF Power Point Excerpt**