

United States Senate

WASHINGTON, DC 20510

May 12, 2014

The Honorable Daniel R. Elliott, III
Chairman
Surface Transportation Board
395 E Street SW, Suite 1220
Washington, DC 20423-0001

Dear Chairman Elliott:

We write to urge you to remain involved in the process of improving rail service for customers in the Upper Midwest who, since November 2013, have been suffering from poor service. If rail service does not improve in the near future through steps taken by BNSF and Canadian Pacific railways, we request that you use whatever authority necessary to ensure such improvement, especially for agricultural customers struggling to move last year's crop to market and access needed inputs for planting.

We are appreciative of the Surface Transportation Board's (STB) recent order requiring BNSF and Canadian Pacific railways to report on their plans to meet the short-term need for fertilizer shipments. The need for fertilizer is paramount for farmers right now. The use of fertilizer, unlike many other products, is time contingent. If a farmer misses an application window for fertilizer for a given crop, there is no amount of backfill that can make up for the missed application. This is because specific nutrients are needed at specific times in the growing cycle. We encourage the STB to remain directly involved in fertilizer shipment improvements in order for inventories to recover and so that fertilizer prices may fall to their more normal ranges. Additionally, we are pleased that the STB has held a hearing on the issue of poor rail service in the Upper Midwest. These are important first steps.

However, more work needs to be done to restore an acceptable level of service for the rail customers of the region. Farmers and ranchers in the region are still struggling to deal with poor rail service in other aspects of their operations. Some farmers still haven't been able to ship last year's crop. Without the capital from the sale of their harvested crop, these farmers are struggling to pay for what they need for this year's planting. Even worse, some farmers are struggling to pay off last year's operating loans as a result of difficulties in accessing rail service to move their crops to market.

Agribusinesses are facing problems from poor rail service at every step of the production process. Take the sugar industry, for example. Earlier this year, sugar production slowed at many factories because they couldn't get enough energy resources. The sugar that did get processed couldn't get shipped anywhere. As a result, these factories ran out of storage space, so they couldn't accept new shipments even if the farmers could get enough rail cars. That situation has since improved to some degree, but any deterioration in service could halt production again.

It is not just the agriculture community that needs assistance to resolve the problems that have resulted from poor rail service in the past several months. Manufacturers are suffering for the same reason as agribusinesses; their businesses are highly reliant on efficient and affordable rail transportation to receive inputs for production and deliver their products to customers. Rail passengers have seen extremely long delays due to increased congestion along the tracks, affecting both commuter lines and longer distances routes on Amtrak. The energy production sector also relies heavily on rail transportation. If shipment delays continue, spikes in electricity bills will have consumers throughout the region feeling the pain of poor rail service.

Because of all these serious problems, and the threat that they could get even worse, we urge you to do everything in your power to improve rail service in the region. Thank you again for your attention to this matter. If you have any questions, please do not hesitate to reach out to Jake Schwitzer in Senator Franken's office at 202-224-5641.

Sincerely,



Al Franken
United States Senator



Heidi Heitkamp
United States Senator



Tim Johnson
United States Senator



Amy Klobuchar
United States Senator