

United States Senate

WASHINGTON, DC 20510-2309

September 4, 2014

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

Dear Chairman Elliott:

Thank you for your continued efforts to improve the rail service crisis in the Upper Midwest, and thank you for holding this field hearing to hear directly from shippers. I appreciate the opportunity to submit testimony for this hearing. While your efforts have helped to improve the situation, it remains a crisis as we head into the fall, and I urge you to take more aggressive action to improve rail service in the region.

This is a problem that I have been concerned about since it began last winter. As you know, I've taken a number of steps to address the problem. I submitted testimony to your first hearing on this issue, laying out the complaints that I had heard from my constituents. After your subsequent order on fertilizer, I led a group of Senators in urging you to follow up with actions on behalf of other customers, which you did next with your grain car order. I've also been in contact with both Canadian Pacific and Burlington Northern Santa Fe repeatedly, passing along the concerns of my constituents. I appreciate the actions that the Surface Transportation Board has taken thus far. But the problem has not been fully resolved, and remains an urgent one.

In fact, as we head into the fall again, rail backlogs will become even more problematic. Many farmers still haven't shipped their grain from last year, and have nowhere to store this year's harvest. Many shippers in Minnesota depend on rail service to get their goods to the Mississippi River, and then shipped on barges. The barge season ends with cold weather, and I've heard from shippers who are concerned that they won't be able to get their goods on the river before it's too late. It's especially alarming to hear from a power plant that depends on barge shipments of coal that they fear that they could run out this winter because of a lack of rail service.

The railroads attributed the start of the backlog to the extreme cold we saw last winter. If current trends continue, there will still be a backlog through the start of the winter, especially on Canadian Pacific's lines, through the start of this winter. If weather compounds the issue this year, I worry that we'll never dig out of this hole.

The urgency of the situation demands more aggressive action. Canadian Pacific and Burlington Northern Santa Fe railroads need to dedicate more resources – personnel, engines and cars – to the Upper Midwest until this problem is resolved. If you feel the Surface Transportation

Board lacks the authority to require the actions that are needed to fix this problem in the short term, I ask that you recommend to Congress what authority you need to be given.

Ultimately, this issue will never be solved until we fix a problem that I have discussed with you several times: the lack of competition in the rail industry. If any of these shippers had just one more option that they could consider, I believe that we wouldn't be hearing so much about substandard service levels. In a competitive market, railroads wouldn't be able to deprioritize certain shippers the way they can when they know that the shippers have no other options.

The STB is charged with ensuring that all shippers receive reliable service at fair rates. While the actions that you have taken this year have improved the situation, they have failed to fix it completely. I urge you again to take more aggressive action to fix the situation, and soon.

Thank you again for holding the hearing, and for the opportunity to submit testimony. I look forward to continuing to work with the Board to address these important issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Al Franken", with a long horizontal flourish extending to the right.

Al Franken
United States Senator