

United States Senate

WASHINGTON, DC 20510-2309

April 14, 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 holding a hearing before the Surface Transportation Board exploring recent rail service issues. I have heard from farmers, businesses, and many others in Minnesota about especially poor rail service over the past few months and its negative effects. I'm deeply concerned that these service issues will do irreparable harm to our economy if they are not addressed now. Congress has given the STB broad jurisdiction over the railroad system, and I urge you to take action to restore rail service to the standards that shippers expect.

The complaints about poor rail service have come from virtually every corner of the rail customer base. The agriculture sector in Minnesota relies heavily on rail for transporting crops. Wheat, corn, soybean, and sugar beet growers have told me about their inability to get the rail cars that they need. Businesses in the energy sector, including ethanol producers and coal users, have expressed deep worry about maintaining enough supplies to meet the energy needs of their customers. Factories have been hit twice – first by increased energy prices, then by their own difficulties shipping out products. Even commuters have been hurt. They are experiencing more frequent and longer delays on the Northstar Commuter Rail line due to stalled freight traffic, and there have been similar delays on Amtrak's Empire Builder line. Delays of more than an hour are very problematic for commuters, and make it extremely difficult for the commuter line to build ridership.

The railroads have said that some of the service issues are attributable to the extreme cold that we saw this winter. To the degree that this is the case, it is extremely worrisome. This winter was colder than usual, but when so many sectors of Minnesota's economy depend on reliable rail service, there have to be plans in place to adjust to the weather. As many of my constituents have emphasized to me, winter happens every year, and we all have to be ready for it.

Many of the shippers that I've heard from also suspect another factor is involved: they believe that rail companies are prioritizing shipments of crude oil over other shipments. My constituents will not tolerate a scenario where they can't count on receiving the shipments or the rail cars that they have paid for because a new commodity receives a higher priority than theirs. Minnesota's needs for reliable service at fair rates cannot simply be ignored.

Minnesotans already are fearful that there could be a catastrophic derailment in our state involving crude oil. They live every day with more and longer trains blocking their intersections, preventing ambulances, fire trucks, and police cars from quickly responding to emergencies. On top of those challenges, Minnesota's commodities and passengers cannot be left behind.

So again, I urge you to take whatever actions are necessary to restore rail service to acceptable service levels. In addition, I ask that you consider how these issues interact with another 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 rail industry is essential to an effective economy in Minnesota and the nation. I recognize that this industry is a capital-intensive one that requires significant private investments. But the STB is charged with ensuring that all shippers receive reliable service at fair rates, and that simply has not been happening for the past few months. I hope that you will take whatever steps are necessary to remedy that.

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,



Al Franken
United States Senator