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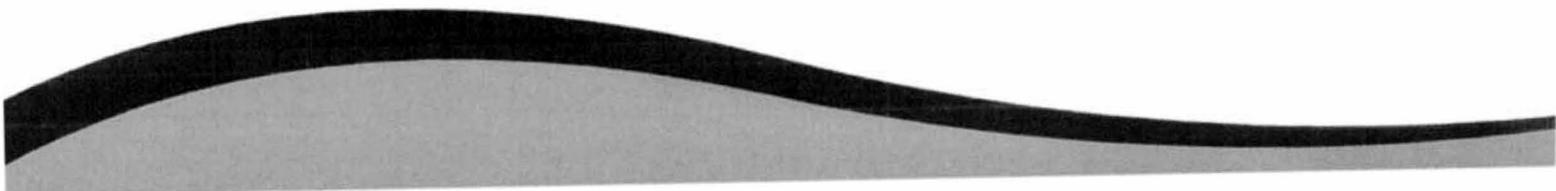
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Good morning Chairman Elliott and Vice Chairman Begeman. Thank you for holding this important hearing. Thanks for sending Tom Brugman to North Dakota on March 26th to hear from shippers.

My name is Keith Brandt, Gen Mgr of Plains Grain & Agronomy (PGA) at Enderlin, ND. I'm also here on behalf of the North Dakota Grain Dealers Ass'n, a 103 year old association representing the interest of hundreds of grain elevators of all sizes across our state. I am a past president of NDGDA and currently serve on its Transportation Committee.

NDGDA has appeared before this Board on numerous occasions regarding rail service, mergers, fuel surcharges, and the common carrier obligation, to cite a few. Past STB Chairwoman Morgan and past Chairman Mulvey, Nottingham, Buttery, and Nober have been guests in our state. In other words our state association has been heavily involved.

PGA is located in southeastern North Dakota on the mainline of the Canadian Pacific railroad with shuttle loading capacity there. We have a branch location, which can load up to 27 cars, on the Red River Valley & Western railroad. Within 30-50 miles there are six BNSF shuttle loading stations that surround us.



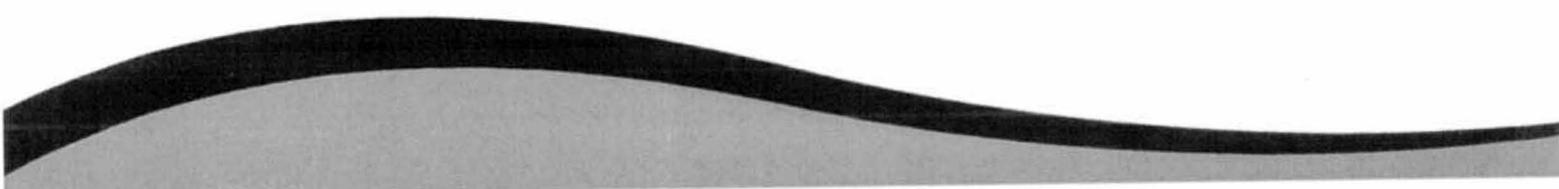
PGA was formed to accommodate the requests of North Dakota's two Class I railroads, Canadian Pacific and BNSF, for fast shuttle loading to receive priority service. Comments today center around the serious service issues. Cycle times on shuttles have fallen from 2 – 2.5 turns per month to half of that at best. For the record,

PGA is waiting for a February 17th shuttle order to be filled and a February 4th singles order to be filled. There are orders on either railroad for various shipment sizes that are far older than these. The smaller orders lag the most.

The lack of service by the CP for PGA goes back a few years. We first started loading out of our new shuttle loading station in 2003. We peaked at loading 6158 cars during the 2008-2009 crop year. We have never gotten back to that number. To receive grain from our customers in spite of poor service by the CP, we truck grain to competing railroads or take excessive risk to pile grain in outside locations. This increases expense and reduces profit.

This past harvest we loaded over 300 cars of corn on the RRVW that went to an ethanol plant located on the main line of the Canadian Pacific. This plant prefers the RRVW to deliver corn to them because of their timely and consistent service.

Because of untimely and inconsistent movement on the CP, we are constantly faced with discounted bids from buyers of 5-10 cents per bushel. Oftentimes trains and other shipment sizes on the CP sit for two-three weeks after billing before being pulled away. While the CP doesn't have sufficient power to move its own equipment, it leases power to other railroads.



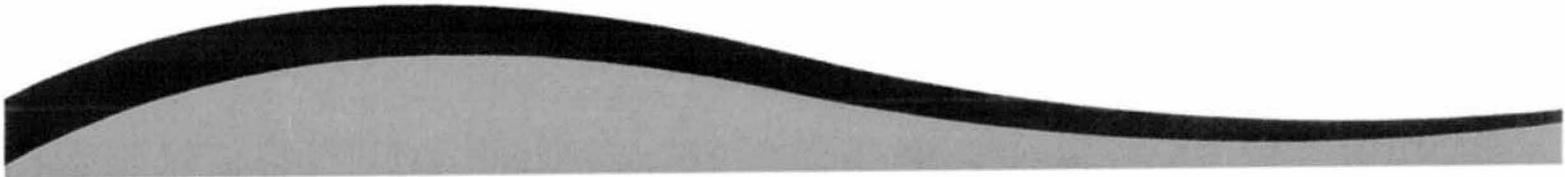
This inconsistent service by the CP is evident across the state over the last 10 years with the expansion of shuttle loading elevators, fertilizer storage hubs, ethanol plants, and propane storage hubs not locating on their railroad.

We continually hear how cold weather effects the movement of rail traffic. In North Dakota there are a few months every year of cold weather and snow. Just a little colder some winters and a little more snow some winters. This has always been the case and railroads should have learned to operate in these conditions.

Much has been said about the development of oil drilling in North Dakota. Many grain elevators believe the increased attention to oil by railroads is at the expense of grain. Tanker cars clog sidings and yards and move before anything else. This consumes power and crews.

NDGDA recently sent information to the office of Compliance and Government Assistance indicating oil on rail had increased six-fold from 2011 to 2013. While oil has proved to be good revenue to both railroads, some balance of car movement needs to be maintained. Oil wells don't quit pumping but grain elevators quit dumping.

Many elevators go to extremes to load cars in cold weather and snow storms. They do this to reduce penalties for shipments already late and to reduce lost revenue from grain that might have gone somewhere else. But railroads can miss their commitments by weeks and suffer no consequences to their customers.



PGA has a great opportunity to exceed those car loadings of 2008-2009. But we don't see plans and we lack confidence that the CP can make it happen.

We encourage this Board to hold more events like this in areas of the nation where grain is grown and loaded on rail. Give the benefit to the rail customers to speak and place the burden on the railroad lobbyist to travel to where their bread is grown and buttered.

