

Docket No. EP 724 (Sub-No. 4)

The South Dakota Corn Growers Association, representing 1,500 farmer-members, strongly supports Surface Transportation Board action that would require railroads to file weekly performance reports on a permanent basis.

The weekly reports that the STB has required of Class I railroads and Class I railroad members of the CTCO on an interim basis since last October have been a great help. We are thankful the board took that action. Those reports have forced railroads to be more transparent and more accountable while providing valuable information to grain cooperators, elevators, ethanol plants, grain associations, agronomy centers, farmers and many others. The data provided an accurate picture of the railcar backlog and helped immensely in making wise business decisions.

This type of information will always be beneficial to rail shippers and agricultural organizations. We believe all of the information included in the reports is already being collected by railroads and can easily be included in weekly reports without causing any burden for railroads. The benefits far outweigh any minor inconvenience it could create for railroads.

By requiring the reports on a permanent basis, the STB also will have information readily available to help identify and resolve service disruptions. The South Dakota Corn Growers Association anticipates record and near-record corn and soybean crops in our state in the coming years. Fueled by new technologies, yields continue to grow. South Dakota transports more than one-third of the state's corn and more than three-fourths of its soybeans out of state. A large amount of ethanol and distillers grains also are moved by rail. Timely, steady rail service is vital to our agricultural industry.

The railcar backlog was a major problem in South Dakota. At virtually every cooperative grain facility, grain piled up for long periods of time as elevators were unable to get railcars to transport it. Our grain storage shortage was estimated at 236 million bushels, according to the Grain Transportation Report. Cooperatives faced record-high railcar fees and the corn basis doubled to near \$1 per bushel. Another problem was getting fertilizer delivered into South Dakota. Cooperatives couldn't wait any longer for shipments to arrive by rail so they had to order delivery by semi-trucks and they couldn't keep up with demand.

The major cause of the railcar backlog for grain was high demand to transport crude oil out of North Dakota. That oil transportation demand recently eased somewhat as oil prices fell but is likely to be extremely strong again when oil prices rebound.

We need all of the help we can get in avoiding railcar backlogs and dealing with them in the most efficient way possible. Making weekly railroad reports a permanent requirement is a big step in the right direction. The South Dakota Corn Growers support the proposal to require permanent reporting. We also support STB steps that would clarify data and clear up any ambiguities. Thank you.

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