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United States Senate

COMMITTEE ON COMMERCE, SCIENCE,
AND TRANSPORTATION

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

The Honorable Debra Miller
Vice Chairman
United States Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

The Honorable Ann D. Begeman
United States Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

Dear Chairman Elliott and Surface Transportation Board Members:

I appreciate the attention and effort the Surface Transportation Board in general, and the Office of Public Assistance, Government Affairs, and Compliance in particular, have given the rail service challenges many shippers in the Midwest, including in my home state of South Dakota, have been facing. Your personal visits to the region and the Board's fertilizer and grain orders have made a real difference.

Unfortunately, much work remains. As you know, freight rail service in South Dakota remains inconsistent for all shippers, including grain shippers, who are still facing extreme backlogs from last year's harvest at the same time farmers are starting this season's harvest and attempting to move this year's crops to market. It is especially critical for wheat producers, whose harvest has begun and who are finding that elevators have little to no space for their product.

The grain shipping order that the Board issued on June 20th has brought attention and transparency to many of the ongoing service issues that remain on the Canadian Pacific (CP) and Burlington, Northern, Santa Fe (BNSF) lines. However, I believe two additional data points would help provide a fuller picture of the outstanding issues and hopeful future improvements.

First, I am respectfully requesting that the average turn rates for grain shuttles be included in the weekly reports. The current metrics in these reports provide the necessary information on the movement of individual car orders. However, large amounts of grain are also moved by shuttles. Without average turn data, we are only seeing half the picture, and will not be able to monitor the impacts that this focus on last year's crops is having on shippers now.

The June 20th order also highlighted the insufficient provision of covered grain hoppers by CP to Rapid City, Pierre and Eastern (RCP&E). The attention initially yielded positive results, in the

form of compliance with CP's earlier obligations to provide the cars. However, consistency on the part of CP to produce the promised cars is still a problem.

Recently, it was brought to my attention that CP has also not been providing RCP&E with the number of weekly locomotives it agreed to during the sale of the Dakota, Minnesota, and Eastern Railroad. This has resulted in a lack of power throughout the line and directly impacted CP's ability to provide the number of cars it has committed to RCP&E and that are needed throughout the line. Therefore, I am also respectfully requesting that the Surface Transportation Board require, through the outstanding grain order, that the CP report the number of locomotives it provides weekly to the RCP&E. On a related note, I will say that I have been pleased with the work RCP&E and Genesee and Wyoming have done to roughly double the number of locomotives that operate on the line, as compared to the locomotives that CP previously provided.

South Dakota's farmers and shippers depend on precious few rail lines to take their products to market. Their livelihood requires efficient reliable service. This year is the worst I've seen in South Dakota when it comes to the lack of storage capacity in grain elevators, as a result of inefficient grain movements during the long winter and the system-wide delays with rail car movements.

While all parties recognize that increased demand across all commodities and unpredictable weather patterns in the past year have created strains on the freight rail system, I urge the Board to favorably consider my request for ordering the submission of data regarding average shuttle turn rates for both railroads and locomotive provision by CP. Strong, effective oversight and transparency are among the best tools we have to ensure rail service to producers at this critical time.

Sincerely,



JOHN THUNE
Ranking Member

cc: Canadian Pacific Railroad
Burlington, Northern, Santa Fe Railroad
Rapid City, Pierre & Eastern Railroad