

North Dakota[®]

Public Service Commission

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Thank you for recognizing the severity and the urgency of this situation and being here today. We appreciate your efforts to maintain dependable and affordable rail service here in the heartland.

I expect that today you will hear a lot of anecdotal information about deteriorating quality of service and the problems it is causing. I expect you will also hear from the RR's about the progress they have made. However, if that progress is accomplished by strong-arming customers into canceling orders, or by focusing exclusively on unit trains to get late car numbers down at the expense of the small shippers, then maybe the progress has not been so great.

I also expect that at the end of the day we will still be struggling with exactly how to quantify the extent and the severity of the problem.

From my perspective, I do not want to get into picking winners and losers among our shippers, nor do I want to just shift focus between our agriculture, oil, and coal industries. What I want and expect is reasonably dependable and affordable service for all of our shippers.

When service problems became severe last spring we asked the RR's for information we felt would better help us to understand the extent, severity, and source. What we have gotten from them is a flat denial.

Without verifiable data from the RR's, I am left with little choice but to accept the anecdotal evidence presented by the shippers and turn to the STB for help.

The fact that you are here holding a field hearing tells me that you are also not certain of the extent and severity of RR shipping problems, and frankly I find that troubling as well. As regulators of the RR's, how can the STB not already have the data at your fingertips to judge quality of service?

- Phone companies, even small rural companies, keep minute by minute data of every call, including where it originated, where it terminated, and whose lines it traversed.
- Electric utilities record amazing amounts of data including the source of generation, what lines were traversed, time of day usage, and outage records.
- And now the RR's imply to the ND PSC that keeping basic service records such as when orders were placed for cars, when the cars were supposed to be there, when cars were actually delivered, when the loaded cars were picked up, and when the loaded cars were delivered to their destination is too burdensome for them.

This is the time for the STB to make a strong stand and demand accountability from the RR's. Many years ago, when RR regulation was shifted from the states to the federal government, there was Congressional recognition that land-locked captive shippers of food, fuel, and fiber such as North Dakota had special importance. At that time, a major concern was rail abandonment and a special amendment was put in place limiting the number of miles of track that could be abandoned in ND. It was known as the Andrews Amendment, named after Mark Andrews, our Congressman at the time who later became a US Senator.

Now we again need to recognize the importance of getting these products moved in a timely manner. The issue is not just that someone has to wait an extra week or two for their money. Poor rail service means that:

- The quality of America's food can be diminished because it is stored outside
- Some crops such as edible beans can just spoil and be lost forever
- Shippers who have contracts requiring the commodity to be in a port on a certain date will lose those sales
- Individual shippers, and the United States as a whole, lose their recognition as a dependable food source around the world
- People in less affluent places such as Angola and Central America, who are counting on these shipments being aboard the ship, will go hungry
- Power plants are running at far less than capacity because of coal delivery problems. In a few months this problem has the potential to turn deadly

I don't think that is what any of us want to see happen, and you are the people who can bring responsibility back to the rail industry. Don't buy the sob stories from the RR's, demand data. Make that data available to the public because there is no security threat involved in analyzing the shipping history of products that have already been shipped. And finally, make clear what the STB believes is reasonable and acceptable rail service and compel the RR's to meet those standards.