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September 4, 2014

The Honorable Daniel R. Elliot, III, Chairman
Surface Transportation Board
395 E Street SW, Suite 1220
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The Honorable Deb Miller, Vice Chairman
Surface Transportation Board
395 E Street SW, Suite 1220
Washington, DC 20423-0001

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The Honorable Ann D. Begeman, Member
Surface Transportation Board
395 E Street SW, Suite 1220
Washington, DC 20423-0001

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TESTIMONY OF CONGRESSMAN KEVIN CRAMER

Re: STB Docket No. EP 724-~~2~~, United States Rail Service Issues
STB Docket No. EP 724-~~2~~ (Sub - No. 2), ~~United States Rail Service Issues - Grain~~

Dear Chairman Elliot, Vice Chairman Miller and Ms. Begeman:

Welcome to North Dakota. Having served nearly 10 years on the North Dakota Public Service Commission I can attest to the value of going to the area affected by the issues of the day. Your willingness to come to Fargo is a testament to the spirit of public service. I thank you for being here and listening to the concerns of these people who, like you, are giving the irrevocable gift of their time in an effort to work collaboratively toward a solution to the serious delays which are the topic of this hearing.

We all realize the pressing nature of these serious rail delays. While progress is being made against the backlog, I remain concerned about the ability of the rail system to handle another large harvest which is in full swing. The next several months will be crucial for the movement of goods

since we are only a few months from a change in weather which will likely restrict rail transportation efficiencies.

The progress made by BNSF has been encouraging. We have seen consistent reductions in their backlog, as they have worked hard, and in good faith, to alleviate many of their issues. They have laid down additional track throughout North Dakota, while simultaneously increasing their supply of cars and locomotives. BNSF has also taken important steps to promote transparency and accessibility, including the availability of their ombudsman. Obviously, more work needs to be done, and many questions are still in order. However, credit should be given where credit is due, and I want to recognize BNSF for their efforts

In contrast, Canadian Pacific has not demonstrated similar progress. After months of confusing and discouraging data, recent reports show an unrealistic improvement in the backlog, which appears to be the result of orders being canceled rather than fulfilled. We need to see more transparency in how they arrive at their data. Today I hope this Board will hear of proactive efforts by CP in solving this crisis.

Loading more cars with grain in North Dakota will only solve part of the problem however. We continue to see severe rail congestion in Minneapolis-St. Paul and Chicago, two hubs vital to our transportation network. I hope the rail companies here today, along with the STB, will work aggressively to improve this situation. Every stakeholder involved has a shared interest in reducing the problems associated with these gateways.

I have serious concerns about Canada's decision earlier this year to impose performance mandates and propose fines against Canadian Pacific (CP) and Canadian National (CN) railways for lack of compliance. This decision puts U.S. producers and shippers at a lower priority than the Canadian customers of these railways. As a neighbor and chairman of the Congressional Northern Border Caucus I appeal to Canadian officials to reconsider this unfortunate decision. While their disappointment in the United States' opposition to a pipeline that could alleviate much of the congestion on the rails is understandable, this aggressive step cannot be ignored. I hope you will analyze these actions, and do what is necessary to make sure U.S. shippers and customers are not left behind.

Finally, I caution against an overreliance on the Board's emergency powers. Commodity discrimination may sound like a good solution; but, it may exacerbate, rather than alleviate the problem. Deregulation was supposed to improve the bottom line of our railroads, their efficiency, and eliminate the need to nationalize our nation's railroad operators. By many accounts, this was successful. Yet prolonged service problems like the ones we are experiencing in North Dakota often result in further government involvement. I hope BNSF and CP, working with customers will do everything in their power to demonstrate the effectiveness of the current regulatory environment.

Again, welcome and thank you. We should never forget, you are here because we are blessed. ND produces more of what our world needs than our transportation infrastructure is able to move as efficiently as it should and will soon.

I am committed to resolving these serious backlogs, as well as ensuring American customers and producers are not further disadvantaged by these delays. I look forward to hearing from BNSF, Canadian Pacific, this Board, and all stakeholders to further our collective goal for a solution to this pressing issue.

Respectfully,

A handwritten signature in black ink, appearing to read "Kevin Cramer", written in a cursive style.

Kevin Cramer

Member of Congress