

229246



Supporting Organizations

- Alliant Energy
- American Chemistry
- Basin Electric Power Cooperative
- Bemidji Area Forestry Affairs Council
- Blandin Paper Company
- Cooperative Network
- Dairyland Power Cooperative
- East River Electric Power Cooperative
- Freeborn-Mower Cooperative Services
- Grand Rapids Area Chamber of Commerce
- Great River Energy
- Hibbing Area Chamber of Commerce
- Lyon-Lincoln Electric Co-op
- McNeilus Steel
- Midwest Shippers' Association
- Minnesota Corn Growers Association
- Minnesota Crop Production Retailers
- Minnesota Farmers Union
- Minnesota Grain and Feed Association
- Minnesota Forest Industries
- Minnesota Rural Electric Association
- Minnesota Soybean Growers Association
- Minnesota Valley REC
- Minnesota Municipal Utilities Association
- Otertail Power Company
- People's Cooperative Services
- Renville-Sibley Co-op
- Tri-County Electric Cooperative
- Xcel Energy

April 12, 2011

Ms. Cynthia T. Brown
 Section of Administration
 Office of Proceedings
 Surface Transportation Board
 395 E Street, S.W.
 Washington D.C., 20423-0001

ENTERED
Office of Proceedings

APR 12 2011

Part of
Public Record

Re: Ex Parte No. 705, Competition in the Railroad Industry

Dear Chairman Elliott:

On behalf of the dozens of Minnesota businesses and the consumer members represented by Gopher CURE (Consumers United for Rail Equity), please accept these comments for the *Competition in the Railroad Industry* hearing (Ex Parte No. 705) scheduled for June 22, 2011.

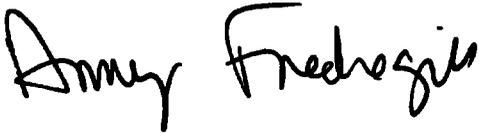
Minnesota industries rely on our nation's freight railroads to serve the needs of our economy and enable future growth. The economic well-being of our state economy is tied to dependable, affordable, and above all competitive rail service. While deregulation and consolidation of the railroad industry may have improved the financial condition of the major railroads, unfortunately, it has left many Minnesota shippers with little or no competitive choice for transportation, and it has resulted in higher rates and reduced level of service.

Throughout Minnesota, one railroad has a monopoly for freight such as coal and chemicals, many agricultural commodities, and pulp, starch and clay used in papermaking that can only move by rail. As a result of freight rail consolidation, and because it has been allowed by the policies of the Surface Transportation Board, BNSF Railway Company, the market-dominant railroad, can charge exorbitant rates to Minnesota captive shippers. In addition, the market-dominant railroad can and often does ration service or not compete for freight, including grain, paper, timber, lumber and other manufactured merchandise that can also move by truck. Both captive and non-captive shippers are subject to take-it-or-leave-it rates and service, resulting in a situation that limits economic activity in our state, reduces the competitiveness of Minnesota industries, and results in higher prices for Minnesota consumers.

Gopher CURE strongly encourages the Board to take steps toward a more balanced national freight policy that provides adequate protection for shippers from unfair and anticompetitive practices by the railroads.

If you have any questions, I can be reached at 651-228-0214 or amy.fredregill@cooperativenetwork.coop. We appreciate your consideration of our comments.

For Gopher CURE,

A handwritten signature in black ink that reads "Amy Fredregill". The signature is written in a cursive, flowing style.

Amy Fredregill
Chair