

STEVE DAINES
MONTANA

320 HART SENATE OFFICE BUILDING
WASHINGTON, DC 20510
(202) 224-2651

United States Senate

EP 722

EP 761

300374

COMMITTEES
APPROPRIATIONS
ENERGY AND NATURAL
RESOURCES
FINANCE
INDIAN AFFAIRS

February 5, 2020

ENTERED
Office of Proceedings
February 13, 2020
Part of
Public Record

The Honorable Ann D. Begeman
Chairman
Surface Transportation Board
395 E Street Southwest
Washington, DC 20423

The Honorable Patrick J. Fuchs
Board Member
Surface Transportation Board
395 E Street Southwest
Washington, DC 20423

The Honorable Martin J. Oberman
Vice Chairman
Surface Transportation Board
395 E Street Southwest
Washington, DC 20423



RE: Docket No. EPP 722, Railroad Revenue Adequacy

Dear Chairman Begeman, Vice Chairman Oberman, and Commissioner Fuchs,

Freight rail is a critical part of our transportation system, and ensures that hard-working Montana farmers, ranchers, and businesses are able to get their goods to market. As the Surface Transportation Board (STB) continues to consider issues related to the long-term revenue adequacy of railroads, I urge you continue the balanced economic framework between railroads and the shippers of my state.

As you know, unlike other modes of transportation, freight railroads are almost entirely privately owned and operated and must use their own capital to invest in new infrastructure and maintain safety. In fact, freight railroads invest an average of \$25 billion per year doing so. Many of the issues you are currently considering, such as revenue reductions or rate caps, could have significant impacts on not only railroads, but the farmers, ranchers, and other shippers they serve. It is crucial that railroads are able to continue to compete on an equal playing field with other forms of transportation. Particularly for those in the agriculture sector, where at times in Montana it may not be feasible to use methods other than rail to get goods to market. Proposals moving through the regulatory process should continue to be grounded in sound economic principles, give full consideration to the impact on agricultural users, and be supported by data-driven empirical analyses.

As you finalize this process, I would urge that the regulatory structure continue to recognize the importance of the railroads' ability to improve and maintain their world-class networks while meeting their shippers' demands at economically reasonable rates. Thank you for your consideration.

Sincerely,

STEVE DAINES
United States Senator