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Congress of the United States
House of Representatives
Washington, DC 20515

302978

September 7, 2021

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Office of Proceedings
September 7, 2021
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The Honorable Martin J. Oberman
Chairman
U.S. Surface Transportation Board
395 E Street SW
Washington, DC 20423

Chairman Oberman,

I write to you in order to enter my concerns into the record for Docket No. FD 36503 and Docket No. FD 36504.

As you know, the lack of dependable rail service and price competition in my congressional district has severely impacted the sustainability and growth of the local economy, especially along the Route 8 Rail Corridor. After several discussions with the parties involved, I do not believe the current sale under review sufficiently addresses these issues.

Shippers and consumers in Northern and Western Wisconsin need a strong commitment to reasonable pricing and steady service, that is why I would like the board to consider guidelines to pricing and a look back period to review if the terms of service are being fulfilled. For 20 years, our area has suffered from a lack of reliable service and unfair pricing, and if the Surface Transportation Board needs to take more time to consider options to better serve Wisconsin, we should take the time to get it right.

The absence of price competition in the CN-Watco sale of 650 miles of track in Wisconsin and the Upper Peninsula of Michigan is the top concern for Northwoods shippers, and I do not believe these issues will be alleviated by the CN-Watco sale as proposed. In essence, Watco's hands are tied because of the way CN has structured the sale, with Watco simply getting a handling fee. Watco will not be able to do what is necessary to serve regional shippers for the following reasons:

- CN has kept control of all pricing and billing and CN has structured the sale to prevent any possible competition on the Route 8 corridor.
- It is apparent that the CN does not want any chance of price competition from another Class 1 provider (UP) or any other railroad (E&LS).
- CN did not include 5.9 miles of rail from Tony to Ladysmith, which would permit interchange and competition with the Union Pacific (UP).

- CN did not include the 19 miles of rail from Goodman to Pembine, which would allow interchange with the Escanaba & Lake Superior (E&LS) Railroad. This prevented the E&LS from being a viable operating option and participating partner in this sale.
- CN continues to want to perpetuate its monopoly pricing power by eliminating any potential source of competition and by retaining ownership of the right-of-way.

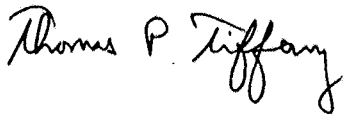
The economic impact on the Northwoods region of CN's pricing policy and sub-par service has been devastating. CN has offered up a fragmented, non-economic unit, which has already failed this area as a direct result of 20 years of CN's management decisions. Of the 372.6 miles in the northern sector, only 148.6 miles are active track, 224 miles are of out-of-service track. Had CN offered the entire Route 8 Corridor (from Escanaba to the Twin Cities and its feeder lines) for sale as a complete package, it would have been a sustaining economic unit supporting the local economy.

I urge the STB to carefully examine the regional impact and consider establishing an economic lifeline of rail infrastructure from Escanaba to the Twin Cities to serve the Northwoods of Wisconsin and Michigan.

It has been my experience that the local economy is best served by local people, communities and businesses working together. Foreign and distant ownership has not served our region well in the past, and I believe a locally owned and operated company that can much more easily be held accountable to deliver fair pricing and consistent service would be a stronger approach to a rail solution for Wisconsin.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Thomas P. Tiffany". The signature is written in dark ink and is positioned above the printed name and title.

Tom Tiffany
Member of Congress