



STATE OF MINNESOTA

Office of Governor Mark Dayton

116 Veterans Service Building ♦ 20 West 12th Street ♦ Saint Paul, MN 55155

August 27, 2014

236564

EP 724

Mr. Daniel R. Elliott, III
Chairman
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423

ENTERED
Office of Proceedings
August 27, 2014
Part of
Public Record

Dear Mr. Chairman:

I am writing to seek help for Minnesota's farmers. I ask that the Surface Transportation Board (STB) use its power to provide clarity about what Class I railroads are doing to eliminate the severe backlog of Minnesota farmers' grain shipments. The STB is in a unique position to bring all parties to the table and find an urgently-needed resolution.

We recently calculated that Minnesota farmers suffered losses of \$109 million from March through May of this year, due to higher basis costs. I ask that this study be placed on the agenda of your National Grain Car Council meeting, scheduled for September 11th in Minnesota. The study will highlight for the Council the dire circumstances that Minnesota farmers face and the need for increased accountability and clarity from the Burlington Northern Santa Fe (BNSF) and the Canadian Pacific (CP) Railroads.

I appreciate the steps the STB has already taken, particularly the Order dated June 20, 2014, compelling the CP and BNSF to publically report their plans to reduce the backlog of grain shipments throughout their systems. In addition, in July 2014, you sent Mr. Thomas Brugman as your representative to Minnesota's rail conference, which addressed this crisis. Mr. Brugman was present when BNSF and CP representatives promised our farmers that matters would be different in this harvest season, that additional investments would be made, and that transparency would be the new normal. I ask for your help to assure that those promises are kept.

On Friday, August 15, 2014, the BNSF filed its weekly report in response to your June 20th Order. That filing failed to address the turn rates, backlog, and plan for grain shuttles within the BNSF system. (Grain shuttles are how the vast majority of grain leaves the State of Minnesota.) With the harvest season fast approaching, Minnesota farmers need to know the plans for getting their crops to market. The BNSF's weekly report accounts for 2,671 grain cars among a grain fleet of 25,313. What is the status of the other 90% of cars not contained within the report? I urge that the BNSF and CP be required to provide current, detailed, and accurate information on their grain shipments and plans to serve Minnesota farmers adequately.

The additional costs imposed by this rail crisis exacerbate already low grain prices and drive prices below many farmers' costs of production. Please consider them and their families, as you exercise the considerable authority vested in you.

Mr. Daniel R. Elliott, III
August 27, 2014
Page 2

If you have any questions or wish to discuss this matter further, please contact me directly at 651-201-3499. Or, you may contact MN Department of Agriculture Commissioner Dave Frederickson at 651-201-6219, or via email at dave.frederickson@state.mn.us.

Thank you.

Sincerely,



Mark Dayton
Governor

cc: Ms. Deb Miller, Vice Chair, Surface Transportation Board
Ms. Ann D. Begeman, Board Member, Surface Transportation Board