



Public Service Commission

State of North Dakota

COMMISSIONERS

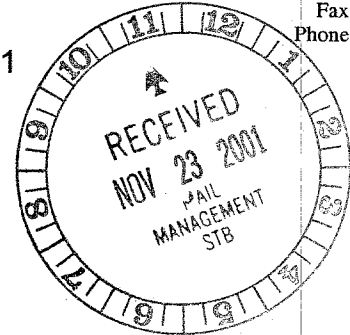
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November 21, 2001



Office of the Secretary
Case Control Unit
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Attention: Ex Parte No. 586

Gentlemen:

Enclosed for filing in this case are the original and 10 copies of written testimony submitted by the North Dakota Public Service Commission in this proceeding.

Sincerely,

Jon H. Mielke
Executive Secretary

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Public Record

Enclosures (10)

**BEFORE THE
SURFACE TRANSPORTATION BOARD**



Ex Parte No. 586

**ARBITRATION - - VARIOUS MATTERS RELATING TO ITS USE
AS AN EFFECTIVE MEANS OF RESOLVING DISPUTES
THAT ARE SUBJECT TO THE BOARD'S JURISDICTION**

**COMMENTS OF THE
NORTH DAKOTA PUBLIC SERVICE COMMISSION**

Due Date: November 23, 2001

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Ex Parte No. 586

**COMMENTS OF THE
NORTH DAKOTA PUBLIC SERVICE COMMISSION**

Identification

The North Dakota Public Service Commission (NDPSC) is a three-member elected constitutional body that is charged with representing North Dakota's shipping interests in proceedings such as this. NDPSC and its predecessor, the North Dakota Board of Railroad Commissioners, have been active in Interstate Commerce Commission and Surface Transportation Board cases for well over one hundred years. This level of involvement is indicative of the state's ongoing need for reliable, reasonably priced transportation services and of its lack of transportation alternatives.

North Dakota has 640,000 residents and over 70,000 square miles of land. Agriculture is the number one component of the state's economy. The state has 30,000 farmers and typically leads the nation in the production of spring wheat, durum wheat, barley, sunflower, dry edible beans, and canola. Other major grain crops include corn soybeans.

Farmers typically use their own trucks to haul the grain from their farm to a nearby grain elevator / warehouse. Typical haul distances are 15 to 20 miles. Farm truck capacities range from 350 to about 850 bushels – between 1/10th and 1/4th of a single rail car.

Grain elevators serve as the primary market for farmers' grain. The state's 440 grain elevators purchase between 500 and 550 million bushels of grain per year. Elevators clean the grain and blend it with different qualities of grain to meet the exact specifications of domestic users and export markets. Many of the state's grain elevators are "cooperative" businesses that are owned by the farmers that they serve.

Over 80 percent of the grain that is sold by North Dakota's grain elevators each year is destined for out-of-state markets. North Dakota does not have direct access to any navigable waterways and almost all of its out-of-state markets are too distant to be effectively served by truck. Trucks typically are not an effective way to move low value bulk commodities like grain over distances of more than 250 miles.

The average distance to North Dakota's nearest major out-of-state market (Minneapolis) is over 300 miles. Many markets, including the Pacific Northwest export market, are over 1,000 miles away. This level of captivity explains why 84 percent of the grain that was shipped to out-of-state destinations during the last crop year was shipped by rail. North Dakota shippers simply have no other options. This also explains why many of the rates charged to move grain out of North Dakota generate revenue-to-variable cost ratios in the 220 to 300 or more range.

The grain elevator industry's dependence on rail service is enormous. Without rail, the industry would have no feasible means of transporting North Dakota grain to market. This near total reliance has a direct impact on farmers since local grain elevators are the only major market for the grain that farmers produce and grain is, in fact, the only commodity grown by the majority of North Dakota farmers. North Dakota is clearly dependent on railroads.

It is vital that the STB understand North Dakota's dependence on railroads. It is also vitally important that the Board understand the feelings that these dependent shippers have towards the rail carriers that dominate the local transportation scene.

North Dakota is served by two Class I railroads and three affiliated short lines. The Burlington Northern Santa Fe (BNSF) operates about 2,050 miles of track in the state. Its short line affiliate, the Red River Valley & Western (RRVW) operates another 475 miles of track. Collectively, these two carriers serve about 73 percent of the North Dakota grain elevators that have direct access to rail service.

The Canadian Pacific (CP) is North Dakota's other Class I carrier. CP operates about 475 miles of track in the state. Its two affiliated short lines, the Dakota, Missouri Valley & Western (DMVW) and the Northern Plains (NP) operate about 375 and 360 miles of track, respectively. Collectively, these three carriers serve about 27 percent of the North Dakota grain elevators that have direct access to rail service.

Only about three percent of the state's grain elevator locations are directly served by more than one rail carrier.

In October of 2001, NDPSC surveyed the state's elevator industry to determine its satisfaction with rail service and to identify problems that it is encountering with rail carriers. While the results of this survey are not specific to the topic of arbitration, they should help the Board understand the difficulties that many local businesses have when dealing with railroads, especially large Class I carriers.

To the extent that this proceeding is intended to help the Board gather information that may be use in crafting future courses of action, both in terms of rulemakings and dealings with Congress, these survey results should be very enlightening. These results are discussed in the final section of this statement.

Prescribed Arbitration

The Board's initial decision in this proceeding states that some members of Congress and some small shippers continue to believe that the Board's formal rate relief processes are impractical. NDPSC concurs.

NDPSC also believes that arbitrating rate levels should not be the starting point of discussions in this proceeding. The logical place to start is at the starting point of the process – the threshold determination of market dominance. Unfortunately, the processes discussed in this proceeding fail to address the major impediments that make it virtually impossible for small captive shippers to obtain timely and affordable rate relief.

Market dominance determinations and related revenue-to-variable cost calculations are the largest single deterrent to effective rate relief. If these items are not addressed and made readily determinable and affordable, none of the other issues raised by the Board in this proceeding need be discussed since aggrieved shippers will never get to the point of needing arbitration. They will run out of money and patience long before that.

Market Dominance – NDPSC suspects that small shippers have had far more difficulty with burdensome market dominance proceedings than they have with actual rate complaint determinations. If market dominance determinations are not made easy and affordable, it does not matter what is done concerning the rest of the rate reasonableness process. If shippers cannot get beyond the market dominance threshold, changes in other areas as discussed in this proceeding will pay mere lip service to the injustices being endured by these small shippers.

NDPSC participated in the Board's Ex Parte No. 627 proceeding on market dominance and appreciates the Board's rulings. Unfortunately, the rail industry continues

to use delay tactics to contest the Board's decisions in that case. This perhaps explains why there have been attempts to codify that decision in law.

If the Court ultimately upholds the Board's decision in Ex Parte No. 627 or if similar provisions are written into law, NDPSC suggests that subsequent market dominance determinations should be simple and straightforward and that qualified arbitrators be allowed to render related decisions as a part of rate reasonableness determinations.

The Board states that regulatory intervention should be limited to shippers who are paying rates that generate revenue-to-variable cost ratios in excess of 180. NDPSC concurs.

Determining the revenue-to-variable cost ratio on a particular movement may be a very complicated, costly, and contentious issue. Railroads can use this fact to their advantage. Unfortunately, winning is not necessarily accomplished by being right. Having the "deepest pockets" can let one party win simply by running the other party out of money.

The Board must develop straightforward and affordable mechanisms to calculate revenue-to-variable cost ratios. The arbitration process being investigated by the Board in this proceeding should give arbitrators the ability to make related determinations.

Basing market dominance findings on readily available and affordable revenue-to-variable cost and market share calculations would go a long way towards providing small captive rail shippers with effective relief mechanisms.

"Big" vs. "Small" - NDPSC supports the use of binding arbitration to settle rate disputes involving small shippers. As the Board points out, however, it is first necessary to define "small" shipper.

The Board has suggested that a "small" shipper might be one that ships in the range of up 200 to 500 carloads per year. For shippers who are dealing with low value bulk commodities such as grain, NDPSC believes that this range is too low.

The vast majority of grain elevators in North Dakota are "small" shippers, especially compared to the size of the Class I railroads. For example, an elevator that shipped 500 carloads of grain would be moving about 1.7 million bushels of grain in those cars.

Elevators often operate on a gross margin of about 10 cents per bushel. Local competition within the grain elevator industry prevents these margins from going higher. It should also be noted that higher margins would result in lower farm income. With annual

volumes of 1.7 million bushels and a 10 cent per bushel margin, an elevator would generate about \$170,000 in annual operating income.

While this amount of money may sound significant, it must cover all the company's expenses including salaries, utilities, maintenance, depreciation, railroad leases, etc. Anything that is left over is profit. In actuality, this scenario does not leave the elevator much to work with to hire counsel and costing experts to contest unreasonable rail rates.

This illustration makes two points. First, the Board's procedures must be very simple and straightforward or the challenged railroad will simply run the challenging shipper out of money before the matter is resolved. This illustration hopefully also makes it evident that shipping 500 carloads of grain does not make a shipper "big." In fact, it is probably more reasonable to make the "big" vs. "small" threshold in the range of 2,500 cars. Even a shipper of that size would still be small and have relatively limited financial resources compared to the railroad that it would be litigating against.

It is also extremely important that no minimum shipment thresholds be tied to a single origin-destination pair. Doing so would make it virtually impossible of any North Dakota grain elevator to pursue relief under the process being discussed herein.

NDPSC is unaware of a single North Dakota grain elevator that ships all its grain to a single destination. North Dakota grain elevators typically handle a wide variety of grains such as wheat, barley, sunflower, durum, oats, corn, soybeans, etc. And within each of these varieties, there may be quality differences that make the grain suitable for different markets (malting barley vs. feed barley, high protein wheat vs. low protein wheat, oil sunflowers vs. confectionary sunflowers, etc.). All these variations and individual buyer needs make it necessary for an individual elevator to sell its grain to a vast number of destinations.

It would also be contrary to logic to require that a shipper send a prescribed number of carloads of freight to a particular destination before it could become eligible to contest an unreasonable rate. The rate may, in fact, be the thing that is keeping more freight from moving to that particular point. Lowering the rate to a reasonable level may be necessary to allow the freight to move.

In North Dakota, the key point is that individual shipping locations are captive to a single rail carrier, even though they may handle many types of grain and ship it to many different locations. If their rail carrier is market dominant and the rates being charged are

unreasonably high, the shipper should have access to timely and affordable relief. That should be the goal of both Congress and the Board.

Final Offer Arbitration – Legislation has been proposed which provides for final offer arbitration in rail rate disputes. NDPSC supports this approach as a more realistic and affordable way of settling rate complaint cases.

While final offer arbitration theoretically forces the parties to submit their best offer, it leaves arbitrators with no leeway, even if circumstances clearly dictate that some “middle ground” solution would be more appropriate.

NDPSC suggests that some form of “modified final offer arbitration” be pursued. Under this approach, each party would be required to submit its final offer and the arbitrator would be free to choose one or the other or to craft something in between the two. This approach would undoubtedly lead to more well-reasoned outcomes.

The Board also asked parties to comment on whether or not arbitration should be binding. NDPSC believes that it should be.

The rail industry’s primary tactic in the past has been to drag proceedings on as long as possible. Being the “biggest dog in the fight” and having the “deepest pockets,” the rail industry is typically able to wear the other side down or to simply run its opponents out of money.

The Board and Congress should not allow this occurrence to continue. Rate arbitration should be final and binding. Doing so would level the playing field and would help ensure that justice, in the form of reasonable rail rates, would be available in both an affordable and timely manner. Unaffordable and untimely justice is justice denied.

Steps should be taken to rectify this situation as soon as possible. NDPSC strongly encourages the Board to proactively serve as a resource to Congress to make it aware of the shortcomings and injustices that are associated with the current situation. The Board should aggressively work with Congress to craft legislation that will provide means for small shippers to obtain timely and affordable relief from monopolistic railroad practices. The economic well being of vast regions of the country are dependent on this occurrence.

North Dakota Rail Satisfaction Survey

A member of North Dakota’s congressional delegation suggested recently that it might be helpful if NDPSC surveyed the state’s grain elevator industry to determine how it

felt about the levels of service that were being provided by rail carriers. NDPSC agreed with the concept and worked with the North Dakota Grain Dealers Association and the Upper Great Plains Transportation Institute to develop a survey instrument.

On Friday, October 5, 2001, the questionnaire that is presented in Appendix I was mailed to approximately 339 local grain elevators in North Dakota; one to each elevator that has rail service. Collectively, these elevators handle about 95 percent of the grain that is shipped by North Dakota elevators each year. Given mailing times and the fact that October 8th was a federal holiday, most elevators received their questionnaire on Tuesday, October 9th.

Elevators were asked to respond to the survey by October 15, 2001; 132 responses were received. A response rate of nearly 39 percent is considered very substantial, especially given the fact that respondents had very little time to reply and that no follow-up reminders were sent out. NDPSC believes that this response rate is a direct reflection on the industry's deep dependence on railroads and its extreme frustration with current rate and service levels.

These 132 respondents collectively ship about 58 percent of the 525 million bushels of grain that were merchandised by North Dakota grain elevators during the most recent crop year. Collectively, these 132 shippers used rail to ship 77 percent of their volume to market.

These shippers handle the majority of the grain that North Dakota markets and they are major rail users. What they have to say about the rail service that they receive should be important to the Board, Congress, and individual rail carriers.

The rail satisfaction survey focused on the following topics:

- ☐ Overall satisfaction with rail service.
- ☐ The delivery of empty cars for loading.
- ☐ Rates.
- ☐ Demurrage.
- ☐ Service failures.

Shippers were asked to rate their rail carrier's service. Choices included poor (1), fair (2), good (3), and excellent (4). The table at the top of the following page presents a summary of the responses received.

North Dakota Rail Satisfaction Survey
Overall Satisfaction Rating
(1 = Poor, 2 = Fair, 3 = Good, 4 = Excellent)

<u>Carrier</u>	<u># of Responding Shippers</u>	<u>Composite Rating</u>
Burlington Northern Santa Fe (BNSF)	73	1.96
Red River Valley & Western (RRVW)	17	2.38
Dakota, Missouri Valley & Western (DMVW)	8	2.75
Canadian Pacific (CP)	23	2.86
Northern Plains (NP)	11	3.09
Average	132	2.31

North Dakota is typically among the leading grain originating states for both the BNSF and CP. It is alarming to find that the carriers' major customers, and especially those of BNSF, rate their services so low.

It is even more revealing to look at the comments that respondents submitted to various questions. The vast majority of written comments related to BNSF. A sampling of some of the comments received is presented below and on the following page.

North Dakota Rail Satisfaction Survey
Sampling of Written Comments from Shippers

- ☐ We have access to 1 railroad and 1 set of rules – theirs.
- ☐ Can't get a hold of anyone that knows what is going on!
- ☐ We always receive cars on the weekend. In the last 6 months we have only received one train that didn't come in on a weekend. That means we have to work our employees 7 days a week.
- ☐ Ridiculous, every train is an unbelievable challenge. I wake up thinking about the railroad and go to bed thinking about the railroad. I work for them – not the farmer?

- ❑ The BNSF treats us like they don't want our business. If you have a problem it is just about impossible to talk to a live human being, just answering machines and no call backs.
- ❑ We order cars for Monday service. Almost never get them on Monday. Over 90 percent are spotted (delivered for loading) on Thursday night so we get to pay demurrage over the weekend.
- ❑ Ordered cars in 1998 and have not received them yet.
- ❑ If BNSF had competition, they would be out of business tomorrow.
- ❑ I have no complaints about the service, they never come.
- ❑ They are not investing any money on smaller lines. That gives them a reason to close them down later.
- ❑ It seems the BNSF will decide who is here in 3 yrs from today, promotional pricing.
- ❑ They told us "verbally" of course – that when we spent a pile of cash to update to (load) 54's our rates would always be competitive – now they want us to spend everything we've saved on (to upgrade to load) 110's – the railroad owns us!! Not the farmers.
- ❑ It seems that rates to Duluth and Minneapolis from ND are higher than when compared to similar distance in other parts of the country. I am very concerned with 110 car trains and just how far BNSF will go to make them work.
- ❑ Single car rates are extremely high.
- ❑ Make it fair for all shippers, not just shuttle loaders.
- ❑ It seems the railroads have too much power in rates. Their structure is going to close 75% of the elevators in ND in the next 20 yrs. Giving preferable rates to terminals is the final nail in the coffin for rural ND.
- ❑ When BN forces us out of business, the rates will skyrocket and farmers will get less for his product but the small towns will be gone and the shuttles will be left to survive.
- ❑ They require as much as 25 days notice when ordering cars. Yet, they can't even begin to get them here on time.
- ❑ The BNSF is going to kill small town ND and take all competition from the ag industry. The shuttle stations wreck ND roads and force farmers to sell at their expense.

A summary of the responses to NDPSC's rail satisfaction survey is presented in Appendix II. A full set of narrative responses are presented at the end of that appendix.

Conclusion

The Board is well aware of the changes that have taken place in the rail industry since the passage of the Staggers Act in 1980. There are far fewer Class I rail carriers now than there were then and, conversely, there are more captive shippers now than there were in 1980.

Many of the goals of the Staggers Act have been achieved. Major rail bankruptcies have ceased. Systems have been rationalized. Competition is regulating where competition exists.

Unfortunately, competition is not a universal occurrence. The Board is charged with providing solutions to problems that exist when there is a monopoly service provider that is providing poor service and / or charging unreasonably high rates to captive shippers.

Laws and rules were put in place in the early 1980s to help restructure the way that rail service is provided in this country. The Board has recognized the need to rectify some of the problems that these laws and rules create in the environment that has evolved since 1980.

Additional changes are warranted. Many are, in fact, urgently needed. Failing to act promptly will result in unalterable changes in the landscape of North Dakota's agricultural economy.

The Board should to act in a proactive manner in matters that pertain to its rules. In matters that require statutory change, the Board should take an aggressive approach to make Congress aware of the shortcomings of existing law and to make definite suggestions for revisions that would provide meaningful, timely, and affordable relief to small captive shippers.

Appendix I

North Dakota Rail Satisfaction Survey

Survey Instrument

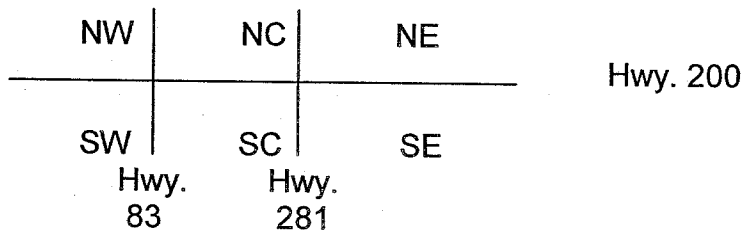
Rail Satisfaction Survey

Please fill out one questionnaire for each warehouse site and

Return to PSC by October 15, 2001

(600 E. Boulevard Ave. – Dept. 408, Bismarck, ND 58505-0480)

1. How large is your elevator? Physical Capacity (in bushels): _____
Average Annual Handle (in bushels): _____
Track Capacity (# of cars): _____
2. Which railroad serves your elevator (check all that apply)?
☐ BNSF ☐ CP ☐ RRWV ☐ DMVW ☐ NP
3. What is the maximum # of rail cars that you can ship at one time:
☐ 1-24 Cars ☐ 25-49 Cars ☐ 50-100 Cars ☐ Shuttles
4. What percentage of your annual handle is shipped out by rail? _____
5. Which section of your state is your elevator in (see diagram below): _____



6. How would you rate the service that you receive from your rail carrier?
- ☐ Poor ☐ Fair ☐ Good ☐ Excellent
7. Has your railroad been giving you notice of arrival of empties? ☐ Yes ☐ No

If so, when do you normally receive the notice?

_____ hours before cars arrive or _____ hours after cars arrive

How accurate is the notice (i.e. If this railroad says your cars will come on Monday and they arrive on Thursday, check 2-4 days)?

- ☐ Within 4 hours ☐ Within 1 day ☐ Within 2-4 days ☐ More than 4 days inaccurate

8. What problems do you experience at your elevator when notice of arrival of empties is either not given or is inaccurate? Check all that apply.

- ☐ unexpectedly having to call in help
- ☐ having to pay overtime
- ☐ problems scheduling farmer deliveries
- ☐ missing shipping deadlines
- ☐ Other – please specify:

9. Please indicate your level of concern with the railroad-related items listed below.

1 = very concerned 2 = moderately concerned 3 = not concerned

(You may have all 1's or all 3's or anything in between).

- _____ A. Excessive rates
- _____ B. Preferential rates to some, but not others
- _____ C. Preferential service, to some, but not others
- _____ D. Demurrage
- _____ E. Lack of notice when empty rail cars arrive.
- _____ F. Site lease rental prices, sales prices, and liability provisions
- _____ G. Other, please list:

10. Which of the following demurrage features is most objectionable? Which is 2nd and which is third? (1 = most objectionable, 2 = second, & 3 = third)
- _____ 24 hour loading (v. 48) on crops other than wheat, durum and barley.
- _____ Sunday being chargeable instead of free.
- _____ Peak period demurrage penalty increases.
11. On what percentage of the railcars you ship do you pay demurrage? _____
12. What was your elevator's total demurrage bill last 12 months? _____
13. When you pay demurrage, how many days per car are typically involved? _____
14. What effect do peak period demurrage rules have on you?
- ☐ Pay more demurrage.
- ☐ Work longer hours / pay more overtime to avoid paying demurrage.
- ☐ Other, please specify: _____
15. Do you have examples of service failures that you would like to provide? (Attach additional page, if necessary.)
16. What, if any, comments would you like to offer concerning the rail service that you receive? (Attach additional page, if necessary.)
17. What, if any, comments would you like to offer concerning rail rates? (Attach additional page, if necessary.)

Appendix II

Tabulated Results

North Dakota Rail Satisfaction Survey

Carrier Codes:

BNSF = Burlington Northern Santa Fe

CP = Canadian Pacific

RRVW = Red River Valley & Western (BNSF Affiliate)

DMVW = Dakota, Missouri Valley & Western (CP Affiliate)

NP = Northern Plains (CP Affiliate)

November 2001

Table 1.1 Total and Average Physical Capacity of Respondent Elevators.

Railroad	# of Respondents	Sum of Physical Capacity	Average of Physical Capacity
BNSF	74	60,024,760	811,145
CP	24	18,567,000	773,625
RRVW	14	9,906,000	707,571
DMVW	11	6,125,000	556,818
NP	7	2,068,000	344,667

(Note: Average capacity of all North Dakota elevators is 585,000 bushels).

Table 1.2 Rail Track Capacity of Respondent Elevators.

Railroad	# of Respondents	Sum of Track Capacity	Average of Track Capacity
BNSF	73	2,935	40
CP	23	1,135	49
RRVW	14	424	30
DMVW	10	415	42
NP	6	190	32

Table 2.1 Response Rate Sorted by Railroad.

Railroad	Approx. # of Surveys Sent	# of Respondents	Response Rate
BNSF	201	76	37.8%
CP	40	24	60.0%
RRVW	48	14	29.2%
DMVW	22	11	50.0%
NP	28	7	25.0%
Total	339	132	38.9%

Table 4.1 Bushels Handled by Respondents and Subsequently Shipped by Rail.

Railroad	Bushels Handled by Elevators	Bushels Shipped by Rail	Percentage of Bushels Shipped by Rail
BNSF	201,797,666	162,134,666	80%
CP	42,130,000	29,191,000	69%
RRVW	34,350,000	25,757,000	75%
DMVW	17,800,000	11,600,000	65%
NP	8,850,000	7,470,000	84%

(Note: For the 12 months ending 6/30/01, 73% of all the grain shipped by North Dakota grain elevators was sent by rail).

Table 6.1 Carrier Service Rating. (Scale: 1=Poor, 2=Fair, 3= Good, 4=Excellent.)

Railroad	# of Respondents	Rating
BNSF	73	1.96
RRVW	17	2.38
DMVW	8	2.75
CP	23	2.86
NP	11	3.09

Table 7.1. Elevators Receiving No Notice Before Receiving Empties.

Railroad	% of Elevators Not Receiving Notice
BNSF	18%
CP	27%
RRVW	24%
DMVW	0%
NP	14%

Table 8.1 Respondents Reporting Problems - Lack of Notice of Arrival of Empties.

	Extra Help	Overtime	Scheduling	Deadlines	Other
BNSF (74)	51%	75%	52%	56%	14%
CP (24)	42%	79%	38%	50%	29%
RRVW (14)	14%	21%	57%	50%	28%
DMVW (11)	36%	64%	36%	27%	27%
NP (7)	42%	0%	14%	42%	0%

(Note: Narrative comments submitted by shippers are presented later in this Appendix).

Table 9.1 BNSF Shippers - Level of Concern with Various Items.

Rail Issues	Very Concerned	Moderately Concerned	Not Concerned
Excessive Rates	67%	27%	7%
Preferential Rates	71%	17%	12%
Preferential Service	64%	21%	15%
Demurrage	69%	29%	1%
Lack of Notice for Arrivals	33%	53%	17%
Site lease, rental rates, liability	33%	47%	19%
Other	19%	1%	

(Note: Narrative comments submitted by shippers are presented later in this Appendix).

Table 9.2 CP Shippers - Level of Concern with Various Items

Rail Issues	Very Concerned	Moderately Concerned	Not Concerned
Excessive Rates	72%	24%	4%
Preferential Rates	74%	17%	9%
Preferential Service	57%	17%	26%
Demurrage	52%	22%	26%
Lack of Notice for Arrivals	22%	52%	22%
Site lease, rental rates, liability	39%	44%	13%
Other	9%		

(Note: Narrative comments submitted by shippers are presented later in this Appendix).

Table 9.3 RRVW Shippers - Level of Concern with Various Items

Rail Issues	Very Concerned	Moderately Concerned	Not Concerned
Excessive Rates	62%	38%	0%
Preferential Rates	67%	27%	6%
Preferential Service	73%	20%	7%
Demurrage	20%	47%	33%
Lack of Notice for Arrivals	20%	47%	33%
Site lease, rental rates, liability	53%	20%	27%
Other	13%		

(Note: Narrative comments submitted by shippers are presented later in this Appendix).

Table 9.4 DMVW Shippers - Level of Concern with Various Items

Rail Issues	Very Concerned	Moderately Concerned	Not Concerned
Excessive Rates	38%	62%	0%
Preferential Rates	38%	13%	49%
Preferential Service	25%	12%	63%
Demurrage	12%	50%	38%
Lack of Notice for Arrivals	0%	75%	25%
Site lease, rental rates, liability	38%	62%	0%
Other			

(Note: Narrative comments submitted by shippers are presented later in this Appendix).

Table 9.5 NP Shippers - Level of Concern with Various Items

Rail Issues	Very Concerned	Moderately Concerned	Not Concerned
Excessive Rates	43%	43%	14%
Preferential Rates	43%	29%	28%
Preferential Service	43%	43%	14%
Demurrage	29%	43%	28%
Lack of Notice for Arrivals	14%	57%	29%
Site lease, rental rates, liability	38%	62%	0%
Other			

(Note: Narrative comments submitted by shippers are presented later in this Appendix).

Table 10.1. Demurrage Features Rated by BNSF Shippers.

Demurrage Feature	24 hour loading	Sunday chargeable	Peak period increased penalty
Not Reporting	9%	7%	7%
Most objectionable	29%	56%	28%
Second most objectionable	31%	28%	20%
Third most objectionable	31%	9%	45%

Table 10.2. Demurrage Features Rated by CP Shippers.

Demurrage Feature	24 hour loading	Sunday chargeable	Peak period increased penalty
Not Reporting	5%	5%	5%
Most objectionable	24%	62%	43%
Second most objectionable	43%	19%	19%
Third most objectionable	29%	14%	33%

Table 10.3. Demurrage Features Rated by RRVW Shippers.

Demurrage Feature	24 hour loading	Sunday chargeable	Peak period increased penalty
Not Reporting	5%	5%	6%
Most objectionable	19%	63%	18%
Second most objectionable	38%	19%	35%
Third most objectionable	38%	13%	41%

Table 10.4. Demurrage Features Rated by DMVW Shippers.

Demurrage Feature	24 hour loading	Sunday chargeable	Peak period increased penalty
Not Reporting	14%	14%	14%
Most objectionable	14%	52%	19%
Second most objectionable	14%	27%	41%
Third most objectionable	57%	7%	26%

Table 10.5. Demurrage Features Rated by NP Shippers.

Demurrage Feature	24 hour loading	Sunday chargeable	Peak period increased penalty
Not Reporting	14%	14%	14%
Most objectionable	43%	71%	29%
Second most objectionable	43%	14%	0%
Third most objectionable	0%	0%	57%

Table 11.1. Average Percentage of Railcars Accessed Demurrage by Railroad.

Railroad	Weighted by Bushels Shipped
BNSF	8%
CP	2%
RRVW	6%
DMVW	1%
NP	5%

Table 12.1. Average Annual Demurrage Paid by Elevators to Railroad.

Railroad	Average Demurrage Paid by Shipper
BNSF	\$2515
CP	\$910
RRVW	\$771
DMVW	\$500
NP	\$241

Table 13.1. Average Demurrage Days When Assessed by Railroad.

Railroad	Average Demurrage Days
BNSF	1.23
CP	1.39
RRVW	.82
DMVW	.75
NP	.43

Table 14.1. Impact of BNSF's Peak Demurrage Rules on Shippers.

	Pay More Demurrage	Work Longer Hours/Overtime	Other
Aggregate	47%	64%	9%

(Note: Narrative comments submitted by shippers are presented later in this Appendix).

Question 8e. What problems do you experience at your elevator when notice of arrival of empties is either not given or is inaccurate?

Responses from BNSF Shippers

- ☐ The cars arrive on Fridays so it is difficult to get billings over the weekend.
- ☐ Biggest problem is loading weekend/holidays/nights to accommodate RR, extremely stressful on help and their families.
- ☐ Planning!
- ☐ Demurrage
- ☐ Getting stuck with demurrage bills when more than 1 car misses spot dates and all come in at one time.
- ☐ Concern of demurrage.
- ☐ We share a trackmobile with a neighboring Cargill location. Inaccurate notification makes it harder to have equipment in the right place at the right time.
- ☐ The notice is usually right on, it's just having to wait on cars after they are ordered.
- ☐ Bad (poor condition) cars unloadable.
- ☐ Being required to load during dark hours to avoid demurrage charges-very dangerous. Having to load after employees have already put in 10-14 hour shifts.
- ☐ Being required to load during dark hours to avoid demurrage charges-very dangerous. Having to load after employees have already put in 10-14 hour shifts.

Responses from CP Shippers

- ☐ Pile more grain on the ground during harvest.
- ☐ Concern of demurrage.
- ☐ They require as much as 25 days notice when ordering cars. Yet, they can't even begin to get them here on time. So we can't really schedule anything.
- ☐ We end up paying demurrage.
- ☐ Piling grain.
- ☐ Not being able to use spot market.

Responses from RRVW Shippers

- ☐ Working with RRV&W is great.
- ☐ Missing out on business when you cannot plan on them being there on time.
- ☐ Having wrong grain (different commodity or quality) in loading position for freight that arrives. Missing market opportunities because of lack of confidence in railroad performance. Grain quality deterioration and increased interest cost for show performance.
- ☐ They never bring cars.

Responses from DMVW Shippers

- ☐ Too little space, too little track.
- ☐ Concern of demurrage.
- ☐ Having to pile grain.

Responses from NP Shippers

- ☐ None.

Question 9g. Please indicate your level of concern with various railroad-related items (rates, service, demurrage, etc.).

Responses from BNSF Shippers

- ☐ We have access to 1 railroad and 1 set of rule - theirs.
- ☐ They say they have empties in New Rockford. The next day the train goes south but no cars are spotted (delivered for loading). Call them, and they say they are out.
- ☐ Bottle necks in shipping stays too long at one sight. Not keeping cars moving.
- ☐ NDGD (North Dakota Grain Dealers Association) warn BN.
- ☐ Can't get a hold of anyone that knows what is going on! Pass the buck.
- ☐ Condition of equipment upon arrival.
- ☐ Main line switch (cost of switching) should be railroad responsibility.
- ☐ Late service and communication becomes a huge issue when trying to market grain.
- ☐ Customer service and reliability. We are not treated like customers on the BNSF; they do not address our concerns like most businesses would because we are captive shippers.
- ☐ Inability to get in contact with someone to discuss discrepancies about billing and demurrage.
- ☐ They won't fix up sidings, don't clean crossings, take care of weeds or clean their old lease sites.
- ☐ We always receive cars on the weekend. In last 6 months we have only received one train that didn't come in on a weekend. That means we have to work our employees 7 days a week.
- ☐ Maintenance of trackage.
- ☐ Quality of cars given.
- ☐ Railroad seeming inability to keep it's grain fleet operating efficiently; I'm sure their intermodal takes priority.
- ☐ Forcing the movement to shuttle facilities.
- ☐ Unfair pricing for shuttles. Also, lease buyouts with no guarantee of unfair placement of cars.
- ☐ It has been brought to my attention by a local farmer that while checking some records at the registrar of deeds office the RR doesn't pay land taxes. Why is this? If we have to pay rent on the property, why don't they have to pay property tax?

Responses from CP Shippers

- ☐ Main line switch (cost of switching) should be railroad responsibility.

Responses from RRVW Shippers

- ☐ The way our business is going the little guy is dead. I really believe no one gives a shit about the little guy anymore. To survive we handle anything and everything which in turn only gets half the rate the shuttle train loaders make.
- ☐ Late service and communication becomes a huge issue when trying to market grain.

Responses from DMVW Shippers

- ☐ None.

Responses from NP Shippers

- ☐ None.

Question 14-c What effect do peak period demurrage rules have on you?

Responses from BNSF Shippers

- ☐ Working all night long, worn out employees, not safe.
- ☐ In our case it seems when loading BN cars you get both (demurrage & overtime wages) because all grain has to be probed and graded before you can get it billed. So you end up paying demurrage and overtime. CP cars are more forgiving.
- ☐ Even if the employees are tired we will have to work at night to get the job done. We have spent huge dollars in speeding up our facility "for them".
- ☐ Most cars are delivered on Thursday nights. If we can't bill (release to market & notify carrier of destination) Friday or Saturday they bill us all weekend for demurrage!
- ☐ We just don't have the time to load the cars when they spot (deliver for loading) them. I'll order the cars for Monday and we have the manpower and equipment lined up for then, and they won't show up until Friday.
- ☐ The railroad has a tendency to spot cars Saturday and at weeks end when it is nearly impossible to get grades and billing information in time to release cars without paying demurrage.
- ☐ Decrease profit margins.

Responses from CP Shippers

- ☐ RRV&W works with you and CP works with us.
- ☐ No peak rules on CP.

Responses from RRVW Shippers

- ☐ Haven't loaded any cars in peak period because you can't depend on them.
- ☐ Really none.
- ☐ None; RRVW does not use this system.
- ☐ Never load cars.

Responses from DMVW Shippers

- ☐ None.

Responses from NP Shippers

- ☐ None.

Question 15

Do you have examples of service failures that you would like to provide?

Responses from BNSF Shippers

- ☐ Cars always set for days after loading yet we have 24-48 hours to load them. Penalties are all one way they do not penalize themselves for not moving the cars to their destination on time.
- ☐ Bottlenecks in shipping moves too slow from certain shipping points.
- ☐ Tried to order cars for a new location. No one returned calls. Kept getting passed on to another person's voice mail.
- ☐ The ETA's (estimated time of arrival) need to be better. Loaded cars sit for 3-5 days before being pulled.
- ☐ Ridiculous, every train is an unbelievable challenge. I wake up thinking about the railroad and go to bed thinking about the railroad. I work for them-not the farmer?
- ☐ We have failures everyday, they don't bring what they are supposed to. They don't come at all or they don't pull what they should.
- ☐ No switches on cars, when cars are available.
- ☐ The BNSF treats us like they don't want our business. If you have a problem it is just about impossible to talk to a live human being, just answering machines and no call backs.
- ☐ Weekend placement on Saturday or Sunday of cars with no prior notification for cars that are typically ordered for Monday - Thursday and are 5 to 10 days late.
- ☐ We just don't have the time to load the cars when they spot (deliver for loading) them. I'll order the cars for Monday and we have the manpower and equipment lined up and they won't show up till Friday.
- ☐ Ordering 5 cars this week and 5 cars next week and three weeks later we get all 10 at the same time and have to load right away even if it is on a weekend and we had them ordered for Wednesday.
- ☐ Mainly not getting cars on want dates. Sometimes a week later.
- ☐ Our only major problem is the trackage! We have been pulling cars for 1/4 mile for 20 months!
- ☐ Not knowing if cars will be here on the date or date's ordered. RR should be able to give one week's notice before rail cars arrive so I can give time off or vacation.
- ☐ The railroad has a tendency to spot cars (deliver for loading) late and at week's end when it is nearly impossible to get grades and billing information in time to release cars without paying demurrage and to sell spot trains at peak market prices. They pay no penalty for revenue we loose as a result of their poor service.
- ☐ Establish day when to expect empties.
- ☐ Hopper and box cars unfit to load.
- ☐ We order cars for Monday service. Almost never get them on Monday. More than 90 percent are spotted on Thursday night so we get to pay demurrage over the weekend.
- ☐ The biggest problem with service failures I can see is the inability of the railroad to pinpoint when service will be made. It is the most frustrating part of planning ahead we face. If the railroad could give a better idea it would allow us to better serve our customers. We tell our customers a train has been ordered on a particular date and that they have been running 5 days late. The biggest problem arises then when the particular train takes 10 to 15 days to be spotted (delivered for loading). There are several times that cars are spotted incorrectly at our facility. The railroad supposedly knows how the cars are to be spotted, but for some reason they spot them incorrectly. This requires us to move cars to get them in the right position so we can start. We could

ask that the crew do it right, but most of the time we need to get started as soon as possible to better serve our customers.

- ☐ During the 2001 harvest, I was having trouble getting cars. I went to Sterling and saw empty cars sitting everywhere. It's obvious that the terminals get preferential service.
- ☐ Late service causes elevator to plug (become full & be unable to purchase more grain from farmers), have to shut customers off of delivery.

Responses from CP Shippers

- ☐ Cannot spot cars (deliver for loading) at the right elevator. Won't move full cars down the line. Cars don't come when they say they are coming.
- ☐ They have simply skipped us on occasion.

Responses from RRVW Shippers

- ☐ We don't have rail service at this location anymore. We still have track, but the railroad won't go there without a unit train order.
- ☐ It just seems like they slip behind and then it is so hard to catch up.
- ☐ Ordered cars in 1998 and have not received them yet.

Responses from DMVW Shippers

- ☐ Not much rail service at this location.
- ☐ Specific time of year. Snow removal and soft track.
- ☐ Specific times of the year. Snow removal and soft track.

Responses from NP Shippers

- ☐ Train won't run because of many excuses. It rained, too hot etc.

Question 16

What, if any, comments would you like to offer concerning the rail service that you receive?

Responses from BNSF Shippers

- ☐ We are notified 1-2 days prior to train arrival with a letter stating they will be placed by 6:00 pm the following day and cars arrive any time within that period.
- ☐ Keep cars moving from line to line.
- ☐ My service has improved greatly over the last year. But not to above standard, just standard. But I'm on the main line. The rates have to be standardized.
- ☐ I have received fairly decent rail service.
- ☐ If the BNSF had competition, they would be out of business tomorrow. Let's talk about anti-trust. "Monopoly".
- ☐ Rail service has been good.
- ☐ We find during seasonal demurrage (higher penalties during periods of high demand) that a lot of cars spot on Friday evening or Saturday.
- ☐ We are not their customers-we are their robots. And they are "horse-shit" transportation providers.
- ☐ I wish they would be more reliable. It would be nice they would try to make up for a failure instead of doing nothing which is the case most of the time.
- ☐ Is our service is going to be discontinued?
- ☐ Hopper cars that are brought in are contaminated with grains on top. Most times we can't clean them for edible beans.
- ☐ In Minot we have reciprocal service between the BNSF and CP. But the BNSF can screw up or avoid communication so that cars don't get delivered to the elevator or pulled when loaded.
- ☐ The BNSF does what it pleases; and without regulation will continue to do so.
- ☐ Telling us when cars are to arrive and not spotting (available for loading).
- ☐ I feel lucky to have two railroads to choose from. I think CP or DMVW railroads want our business and BNSF is looking for excuses not to service us.
- ☐ Lame excuses on why I didn't get the cars when wanted. At times I've see the cars sit 13 miles south in another town for a week. Too much snow on the tracks. Ghost train didn't do its job (night crew).
- ☐ With BNSF we have no way of knowing when our equipment is arriving. No way of tracing them and no communication.
- ☐ I haven't used any rail service since they switched ordering from Dilworth (MN) to Fort Worth.
- ☐ Why do we have to have cars billed (loaded and released for pick-up) in 48 hours and then they sit for 2 to 14 days - is that called turn around time?
- ☐ Receiving Thursday night/Friday spot times seems more frequent when Sunday is not a free day.
- ☐ Please give a 1 week notice of delivery so employees can plan vacation time.
- ☐ Our local service is generally good although cars are often spotted (delivered for loading) in a manner which is convenient to the RR rather than how we've asked them to set the cars in.
- ☐ With the main office in Fort Worth talking to a person is impossible. I can't believe anybody could run a business like that.
- ☐ We do pretty well working with NPRR. However working with BNSF can be very frustrating.

- ☐ I am on the CP mainline and they have serviced us well even though we are a single car shipper. However I know the larger shippers are receiving special benefits.
- ☐ Lately they've been pulling our loaded cars out quicker than usual. We are a processor and ship cleaned product in bulk bags.
- ☐ Poor railroad. Arrogant!!! Big Nothing is a good title!!!
- ☐ I quit loading rail 10 years ago because of COT (Certificate of Transportation car auction) program and BN's attitude to small elevators.
- ☐ 48 hrs to load all commodities on railcars. Sundays should be free (demurrage not charged) because no market available.
- ☐ The BNSF is going to kill small town ND and take all competition from the ag (agriculture) industry. The shuttle stations wreck ND roads and force farmers to sell at their expense.
- ☐ I am very much opposed to the railroads peak season. It seems that freight is furnished late in the week on a very high percentage of time. It is very difficult to spot sale a commodity on a train that is furnished on Friday or weekend. This eliminates a marketing tool that can benefit our facility which in turn benefits the customers we serve. It is also very dangerous loading when employees have already been working long hours up to placement of cars.
- ☐ Would like to see cars arrive on time.
- ☐ Mandan (ND) rail yard is slow to get the cars hooked on the Beulah turn. I generally receive notice that the cars are in Mandan 2-3 days before they get here.
- ☐ Not receiving notice when service is changed. For instance I will have cars ordered for a Monday or Wednesday and the do not arrive so I call to see what the reason is and they have changed days of service.
- ☐ Unfair to expect 24 hours to load and market cars.
- ☐ Will rail service be provided on these spur lines the next 5-10 years? Or does the railroad only want to serve certain areas? Fairness??

Responses from CP Shippers

- ☐ If we have 48 hours loading, should not be spotted on late Thursday thru weekend.
- ☐ CP and RRVW are great to work with-bend over to help out.
- ☐ RRVW is very good to work with. They bend over backwards to help the elevators in Richland County. Best RR I've ever worked with.
- ☐ Cars are in poor condition.
- ☐ They act as if they cannot be replaced. We don't have to ship rail at all, trucks will work. People we call at their help centers don't know what is going on. They really don't care either.
- ☐ Rail service on the CP has been good until late September. After that no one could give you a definite answer when cars are coming or where empty cars are.
- ☐ We are very pleased with our service with CP rail. They are very good to work and deal with. We have no complaints regarding them.

Response from RRVW Shippers

- ☐ They are not investing any money on smaller lines. That gives them a reason to close them down later.
- ☐ We have trouble figuring out the times railcars are placed at our elevator for demurrage. We feel the RR offices are not getting the right times from train crews of times placed. It is always a disagreement and the railroad never backs down.
- ☐ I ordered one car and they said it was in Carrington (ND) and it has been 15 days and still have not received it.
- ☐ Limited access to Duluth Ports and Markets.

- ☐ I have no complaints about the service, they never come.
- ☐ Rail cars can be up to 15 days late without penalty. But if it rains and the crop doesn't get moved to town you can't do anything about it. Seems very one sided.
- ☐ We receive good service. If there is a problem of any kind we have always been able to work it out.

Responses from DMVW Shippers

- ☐ Rail service once a week. You only have so many hours to load cars and then they sit there for a week.
- ☐ We get rail service once a week. I have a problem paying demurrage if cars come on a weekend, or having only 24 hours to load cars and then have the cars sit at my elevator for a week.
- ☐ I would want regular scheduled service.

Responses from NP Shippers

- ☐ Train will come once a week but no set day.

Question 17 What, if any, comments would you like to offer concerning rail rates?

Responses from BNSF Shippers

- ☐ Why is their shuttle rates going west 42 cents over the elevator eastern rate (inverse rate structure) - eastern shippers now have an advantage over western shipper going both ways.
- ☐ Consistent price between destinations.
- ☐ I can understand specific rates for loading shuttles, but not eastern ND and western MN rates on shuttles less than shuttles in western ND.
- ☐ It seems the BNSF will decide who is here in 3yrs from today, promotional pricing.
- ☐ I would like to see that when I have 24 to 48 hours to load the cars that they have 48 to 72 hours to move the cars or they pay demurrage on my inventory.
- ☐ At the very least, rates need to be regulated. There is no competition.
- ☐ Be fair to everyone. BNSF COT (Certificate of Transportation) cars are always higher than CP PERX (Protected Equipment Rate Exchange) cars.
- ☐ Where our elevator is located everyone east of us has lower shuttle rates, and everyone west has lower rates due to mileage. It crates a lot of concern for producers whom normally market through us to understand such foolishness.
- ☐ Rail rates should be consistent and fair.
- ☐ I've always wondered why the rates for wheat and durum to travel east to Minneapolis or Duluth are set to gross roughly \$3300 per car and other commodities that carry the same weight to go the same distance are roughly grossing \$1700 per car. Some of these commodities are the same weight per bushel, and the same price per bushel.
- ☐ BNSF west coast wheat rates being higher in the west than in the east.
- ☐ They told us "verbally" of course-that when we spent a pile of cash to update to 54's our rates would always be competitive- now they want us to spend everything we've saved on 110's-the railroad owns us!! Not the farmers.
- ☐ Soybean rates on BNSF if you are not a shuttle loader are not competitive with CP rates. Overall rate structure is for the BNSF only not the customers.
- ☐ My rate (demurrage) jumped \$25 per car because of a survey I filled out. I should have lied.
- ☐ I have been refusing to pay demurrage where cars come in at say 5 pm on Thursday, so load on Friday and submit samples and sell on Monday.
- ☐ It is discouraging to see the railroad dedicate service and special rates to shuttle loaders while trying to grow this program in areas where it won't work as effectively. With many types of grains handled in our area, along with quality issues it is hard to put together large trains. This seems to be lost to the RR.
- ☐ It seems that rates to Duluth and Minneapolis from ND are higher than when compared to similar distances in other parts of the country. I am very concerned with 110 car trains and just how far BNSF will go to make them work.
- ☐ As a single car shipper, I am not able to stay competitive even though spot singles (cars sold into the Minneapolis "spot" market) trade higher than unit trains.
- ☐ Single car rates are extremely high.
- ☐ Make it fair for all shippers, not just shuttle loaders.
- ☐ When BN forces us out of business the rates will skyrocket and farmers will get less for his product but the small towns will be gone and the shuttles will be left to survive.

- ☐ I completely disagree with the railroad being allowed to offer reduced rates to shippers that are further away from the markets that we rely on. The fact that North Dakota pays more in rail rates than other states because we are the farthestmost point from almost every export and domestic destination is bad enough. Then to compound the problem, the railroad offers inverse rates to shippers hundreds of miles away is very disturbing. If they can offer those rates to them, they should be able to offer the same reduced rate to everyone. Our North Dakota farmers are being discriminated against and this activity will severely hurt the markets that have been available to them in the past.
- ☐ Rail rates are killing small elevators like us. We cannot compete with large terminals on price so we are losing bushels. In time the million bushel handle facilities will be gone.
- ☐ Rail rates are too high and the most frustrating for us is the inability everyone seems to have in dealing or doing anything with the railroad. They do exactly as they please. We are totally at their mercy.
- ☐ Still higher than competitors. Lets at least get equal.
- ☐ More rail rate increases reduces margins, harder competition between elevators to handle bushels.

Responses from CP Shippers

- ☐ Industry fair.
- ☐ When rates for 110's are set and elevators are done building and merging, what happens to rates? Do they go back up?
- ☐ Rail rates are unfair and excessively high.
- ☐ Concern with CP rates being cheaper in Canada for same commodity and destination.
- ☐ Rail rates are too high in correlation to truck rates. No margin (profit) in grain the way it is and rates still go up.
- ☐ It seems the railroads have too much power in rates. Their structure is going to close 75% of the elevators in ND in the next 20 yrs. Giving preferable rates to terminals is the final nail in the coffin for rural ND.
- ☐ Very concerned about rates that BNSF has put into place for wheat shuttle loaders in eastern ND. When and where will be the next play.

Responses from RRWV Shippers

- ☐ Shuttle train rates kill us. CP rail rates on soybeans kill us. No way we can compete. Railroad should get no assistance from anyone, the small elevators are the backbone of our state.
- ☐ I think it is unfair that shuttle loaders should get such a cheaper rate than 1 car loaders.
- ☐ Cannot compete with 110 car shippers.
- ☐ Wheat rates are quite high.
- ☐ Higher BN rates vs CP rates on 50/54 car shipping.
- ☐ Should be fair to all shippers and not single out certain unit or shuttle train shippers.
- ☐ Rail rate to ship 200,000 bushels of wheat to Duluth is \$1430 per car in 54 car train.

Responses from DMVW Shippers

- ☐ Level playing field for everyone.
- ☐ They need to be fair fore everyone.
- ☐ Treat all shippers fairly.

Responses from NP Shippers

- ☐ Rail vs truck are considerably higher.
- ☐ Rates are high.

Additional Comments:

- ☐ Waiting for NH3 (fertilizer) cars for 7 days are in Jamestown, but could not bring North because they were on the wrong track. Outrageous.
- ☐ In general the BNSF acts like they are the king and we are the peasants.
- ☐ Rail rate to ship 200,000 bushels of soybeans to Duluth is \$1200 per car in 54 car train. What sense does that make? Wheat rate is too high.
- ☐ Railroads have indicated that, in the future, the only shippers they will serve will be shuttle loading stations. They say that they are improving their efficiencies by making upgrades on their end. At the same time they say that we have not upgraded our facilities so we can become efficient. That is complete nonsense. We have added storage, added grain cleaning equipment, and added track to load 26 units and then more track to load 52 (car) units. They say we are still using 1970s facilities that have not been updated with the times. How do they know? They have not inspected our facilities to learn how ND shippers have updated so we can comply with their restrictions. We load a certain amount of their junk equipment that was built in the 1970s in nearly every trainlot we load. Our elevators ARE loading in the required time the railroads have given us. We are in command of their cars for 48 hrs or less on each shipment. They are the ones that let the cars sit after they have been billed and released. WHY SHOULD THEY BECOME MORE EFFICIENT AT OUR EXPENSE?"
- ☐ RURAL AMERICA IS AT STAKE HERE. When the railroads get their way and only 6-8 shuttle loading train facilities are within the state, our rural communities will suffer even more drastically than they already have. There will be less jobs and less farmers in our rural areas. If someone will not stand up to them, our states economy will suffer severely. LET'S NOT LET THAT HAPPEN.
- ☐ I would like to thank the North Dakota Public Service Commissioners for listening to this state's grain warehouses concerning these matters through this survey. Hopefully with your assistance and the assistance of our other legislative leaders we will be able to better serve North Dakota and protect our state from these conglomerates who do not care about rural America.