
City of Mitchell

612 NORTH MAIN STREET • MITCHELL, SOUTH DAKOTA 57301

City of Mitchell
Mayor's Office
(605) 995-8420
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Hon Vernon A. Williams
Secretary, Surface Transportation Board
1925 K Street, NW
Washington, D.C. 20423

Re: Finance Docket No. 34667, BNSF Railway Company
Purchase and Operation – State of South Dakota

Dear Mr. Williams:

On behalf of the City of Mitchell, South Dakota, I'm writing to express the City's support for the efforts of the State of South Dakota regarding the acquisition of the State's "Core Lines" by BNSF Railway. We believe the conditions sought by the State of South Dakota are reasonable and necessary to protect the adequacy of rail transportation in this region.

Mitchell is located in southeastern South Dakota. This community has a vibrant and progressive economic base. Our manufacturing base is diverse and we anticipate expansion. The city is also a regional leader in the visitor service industry. We also have seen growth in our telecommunications and health care facilities. Rail service in the Mitchell area is provided by the BNSF Railway on rail lines owned by the State of South Dakota and extending north, south and east from Mitchell (the "Core Lines"), and by Dakota Southern Railway on a State-owned rail line extending west from Mitchell. Rail service on all of those lines is important to local employers and businesses and to the economic health of the region, particularly with respect to agricultural commodities.

The City strongly supports the conditions requested by the State of South Dakota, in connection with the pending sale of the Core Lines to BNSF, to ensure the future viability of the Dakota Southern line and the availability of adequate rail service and market access for grain shippers on that line. The recent development of large, 110-car elevators on BNSF main lines, while beneficial in some respects, has also served to penalize and pressure smaller elevators on other rail lines and the smaller railroads that serve them. The sale of the Core Lines to BNSF will exacerbate that problem by isolating the Dakota Southern line from any other state-owned lines. We believe that the Dakota Southern line can and should continue to be a viable component of the transportation network in this region, and that the Board should provide the line with that opportunity.

The conditions sought by the State reasonably and effectively respond to these concerns arising from the proposed Core Line sale. The availability of trackage right for Dakota Southern to reach Sioux City, Iowa will ensure that Dakota Southern can connect with other railroads and thus would have the opportunity to provide rate and service options that are appropriate for the smaller elevators on the Dakota Southern line. Also, the ability of Dakota Southern to handle grain shipments from points on the Dakota Southern line to the existing elevator at Mitchell will not only facilitate needed rail service on the Dakota Southern line, but also take trucks off of local roads and promote the continued efficient supply of

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grain to the Mitchell area. At the same time, we do not foresee that these conditions would unfairly impair BNSF, which is an important constituency in our community as well.

The conditions sought by the State are important to the public interest and to the economic well-being of our region. The City supports the consideration and implementation of those conditions in connection with any BNSF purchase of the Core Lines.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct, and that I am qualified and authorized to file this statement.

Very truly yours,


Alice Claggett, Mayor of Mitchell

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