

North Dakota Farmers Union

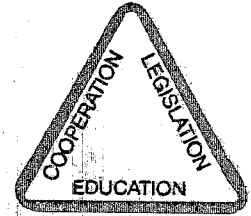
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May 25, 2006

Douglas Buttrey, Chairman
Surface Transportation Board
1925 K St. NW, Suite 810
Washington DC 20423-0001
(sent via fax)

EP-661

RE: COMMENTS ON RAILROAD FUEL SURCHARGES

Dear Mr. Buttrey:

I am writing on behalf of more than 30,000 family farm members of the North Dakota Farmers Union, regarding current railroad fuel surcharges.

Surcharges must be based on actual costs and have supporting data to assure that they are fair and reasonable. Fuel surcharges on top of already excessive rail rates create an unfair and burdensome cost to North Dakota producers.

North Dakota Farmers Union believes that strong federal and state regulation of the rail industry is needed to ensure that rural areas are not denied adequate service and to ensure that captive shippers are not charged excessively high rates.

According to statistics from the North Dakota Farm Business Management Program, net farm income dropped by an average of \$18,244 per farm in 2005, due to increased fuel and fertilizer prices alone. Increased surcharges are just one more deduction from the farmer's "bottom-line."

North Dakota Farmers Union believes railroads are vital to transporting their products. A five-cent overcharge on fuel surcharges equates to \$10.5 million per year loss of income to North Dakota wheat producers, and this equates to \$40 million per year drain on the economy of North Dakota. Excessive rates threaten the competitive ability of North Dakota-grown products to meet the domestic and international customer demand.

Thank you for your attention to this matter. We look forward to working with you in the development of a solution.

Sincerely,

NORTH DAKOTA FARMERS UNION

Robert L. Carlson
President

RLC:lb

cc: U.S. Senator Kent Conrad
U.S. Senator Byron Dorgan
U.S. Congressman Earl Pomeroy

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