



May 31, 2024

Angela Caddell
Vice President of Agricultural Products
Burlington Northern Santa Fe
2650 Lou Menk Drive, MOB 2

Fort Worth, Texas 76131-2830

Dear Ms. Caddell:

We are writing to you to express our concern over BNSF's recent decision to reduce the number of operating shuttle sets by 15 from 155 to 140 which is creating a difficult economic reality for Upper Midwest elevators who rely on your system to move product to market.

While we understand the reasoning for BNSF's decision to decrease the number of shuttle sets is to reduce "clutter" on the rails and allow more efficient movement of the remaining sets, your theory is untested and there is now a perceived shortage of freight in the market.

The auction values of the last two shuttle auctions (May 22 & May 29) are significantly above the historic auction values for pre-harvest shuttle auctions and this is pricing your freight way above the tariff value. This may not have been intended but our reality is inflated shuttle values with no guarantees for service improvement. Grain shippers end up on the losing end by paying more for freight while not having any assurances of improved service or faster turn times and smaller companies are priced out of the market due to the excess risk of inflated shuttle values and the possibility of having to buy out of a contract at higher-than-tariff prices.

The system of elevators in the Upper Midwest has evolved a great deal in the last 20 years. BNSF ushered in the shuttle concept in the late 1990's sighting the need for greater efficiency in grain movements and the industry answered with hundreds of millions of dollars of investment in shuttle loading facilities. BNSF told elevator operators that these investments would be rewarded with reduced rates and better efficiency. 20+ years later there are numerous shuttle capable facilities on your system in Minnesota, North Dakota and South Dakota that rely on BNSF shuttles as the main mode of transportation for their grain to move to market and that market is in jeopardy. Steady rate increases and now a higher-than-tariff value for shuttle trains will further weaken the basis for the region's producers making our grain uncompetitive on the export market.

We would ask on behalf of the country elevator system and the producers we service in Minnesota, North Dakota, and South Dakota that you either reconsider your decision to decrease the number of shuttles offered for auction, or offer those shuttles at tariff rates using an allocation system that allows everyone to participate in the program. One suggestion would be to make the auction process more transparent and provide fair opportunities for smaller shippers to place informed bids. The ability to bid on multiple start-up periods without being forced to place a separate bid for each period would be a positive improvement.

Sincerely,

Minnesota Grain & Feed Association
North Dakota Grain Dealers Association
South Dakota Agribusiness Association

cc:

MN Senator Amy Klobuchar
MN Senator Tina Smith
MN Representative Michelle Fischbach
MN Governor Tim Walz
ND Senator John Hoeven
ND Senator Kevin Cramer
ND Representative Kelly Armstrong
ND Governor Doug Burgum
SD Senator John Thune
SD Senator Mike Rounds
SD Representative Dusty Johnson
SD Governor Kristi Noem
STB Chairman Robert Primus
STB Commissioner Patrick Fuchs
STB Commissioner Michelle Schultz
STB Commissioner Karen Hedlund