

# TRANSPORTATION REPORT

From: Terry Whiteside

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## UP RAISES ALL OF WHEAT RATES BY \$100/CAR EFFECTIVE JUNE 1, 2014

The Union Pacific Railroad has announced a \$100/car increase on virtually all grain shipments, effective June 1, 2014 (to include the summer harvest of wheat. Increases announced for wheat from UP origins in AZ, CA, NV, CA, ID, MT, OR, UT, WA, CO. The increases were to wheat shipments destined to destinations in Seattle, Tacoma, Albina, Portland, TX (including Corpus Christi, Beaumont, Brownsville, El Paso, Eagle Pass, Laredo and TX Gulf Ports), LA, IA, AZ (Nogales), CA (Calexico).

It would be expected that similar increases will follow on the BNSF timed similarly for the summer harvest even though their shippers are experiencing one of the worst service crisis in two decades.

# **STB RAIL CUSTOMER AND PUBLIC ASSISTANCE PROGRAM STAFF TO HOLD MEETING ON MAY 6<sup>TH</sup> IN SIOUX FALLS, SOUTH DAKOTA – OTHER STATES TO FOLLOW**

The STB announced they will be holding meetings with the shipper including confidential and informal meetings with staff from the Board's Rail Customer and Public Assistance Program (RCPA) on May 6<sup>th</sup> in Sioux Falls, South Dakota concerning continuing railroad service issues.

This meeting follows and is an outgrowth of the public hearings in Washington DC on April 10<sup>th</sup> in a proceeding entitled United States Rail Service Issues, Docket No. Ex Parte 724.

RCPA's goal in these series of meetings is to fully understand the continuing rail service problems affecting shippers and to facilitate informal solutions wherever possible. Similar meetings were held in Fargo, ND in March. The meeting in Sioux Falls, will be held on May 6<sup>th</sup> (Tuesday) between 8 AM and 5 PM in the meeting room of the Country Inn and Suites, 200 East 8<sup>th</sup> Street. Those wishing to participate and meet with RCPA staff are encouraged to email their requests (which will be treated as confidential) by close of business today (May 2<sup>nd</sup>) to [rcpa@stb.dot.gov](mailto:rcpa@stb.dot.gov) or alternatively telephone 202-245-0281.

RCPA is also working on setting up additional meeting soon in MN and Glasgow, MT (sometime in May).

These are important meetings for the shippers to attend and inform the STB staff of service issues they are experiencing.

# **BNSF Railway Drastically Reduces Expedited Intermodal Rail Service from Washington State to Allow for More Coal and Oil Shipments**

On April 24, we received an announcement from the BNSF Railway to customers indicating that it would be reducing intermodal train service from Washington State, effective immediately on Monday, April 28.

The sudden announcement caught intermodal customers by surprise as BNSF is not only reducing expedited intermodal service to only one train a day from Washington State but the service will also be about 2 days slower from Seattle to Chicago. The transit time between Seattle and Chicago is critical to the intermodal volumes that Seattle intermodal traffic lives by.

Unfortunately, the sudden decrease in intermodal rail service by BNSF Railway has left many Washington State shippers (of imported goods, food, agricultural products, dry goods, consumer goods, etc.) scrambling to find other transportation options to ship eastbound from Washington State. There are two options – truck and/or supplying their loads from some other intermodal port such as Oakland (labor strife is threatening to flare up) or LA which would leave PNW shippers high and dry.

As a result, most Washington State intermodal shippers will have to quickly turn to using more long-haul trucks, which have also been in declining supply as many long-haul truck drivers have been retiring due to demographics as well as new hours of service regulations.