

## **BNSF Railway cuts grain shipping rate increases**

**Rates will affect 52-car trains, start Oct. 1, last one year**

**By Sarah Cooke Associated Press published Sep 23, 2005 in Grand Forks Herald**

**HELENA, Mont.** - BNSF Railway agreed to significantly cut its grain-shipping rates for 52-car trains in Montana, North Dakota and two other states starting next week in a move hailed Thursday as a victory for farmers and small grain elevators.

BNSF increased grain shipping rates to the Pacific Northwest last month, despite protests from Montana Gov. Brian Schweitzer, North Dakota Gov. John Hoeven, congressional leaders and several farm groups over their potential to bankrupt dozens of 52-car loading terminals in Montana, North Dakota, South Dakota and Minnesota.

The new rates, less than half of what BNSF originally proposed, were reached after a month of talks between customers and company officials, said BNSF spokesman Gus Melonas in Seattle.

They will take effect Oct. 1, and will last at least one year, Melonas said. He declined further comment.

"This is a real victory for our farmers," Sen. Conrad Burns, R-Mont., said. "I heard from numerous county commissioners who were concerned about losing jobs in their communities if 52-car facilities were put out of business ... BNSF made the right decision by keeping the 52s a viable option for our grain shipments

In July, the railroad announced plans to increase per-bushel rates charged for grain shipped on 52-car trains and lower it for 110-car trains, creating a difference of 15 cents a bushel.

BNSF slightly lowered the difference to 14 cents a bushel a month later, but state and federal leaders said that wasn't enough. The spread was 4 to 7 cents per bushel last year.

The new rate will create a difference of about 5.8 cents per bushel, Burns said.

Farm leaders called the move an attempt by BNSF to route more grain traffic to its new 110-car loading facilities, where the railroad could save money by loading more cars faster.

The change would have forced farmers across the region to truck thousands of bushels of grain to larger grain elevators, increasing their costs and causing more damage to roadways, Montana Farmers Union President Brooks Dailey said.

"The viability of our 52-car facilities was at stake," said Pat Togerson, president of the group Women Involved in Farm Economics. "Our farmers want to preserve the network of grain elevators in this state."