## NFU Calls For Greater Competition To Remedy Rail Shortages

WASHINGTON, D.C. Returning competition to the railroad industry is the best way to have adequate, competitivelypriced rail service for transport of farmers' grain, National Farmers Union (NFU) leaders told a consortium of industry leaders here.

In addition to NFU, those participating included U.S. Department of Agriculture (USDA) Secretary Dan Glickman, Surface Transportation Board Chairman Linda Morgan, Senate Minority

Leader Tom Daschle, D-S.D., **Burlington North Sante Fe CEO** Robert Krebs and other transportation and agriculture representatives. The meeting was organized by Sen. Tim Johnson, D-S.D.

Representing NFU at the meeting were North Dakota Farmers Union President Robert Carlson, South Dakota Farmers Union President Dennis Wiese, South Dakota producer Randy Knecht of Houghton, S.D., and NFU legislative representative Lynne

## McBride.

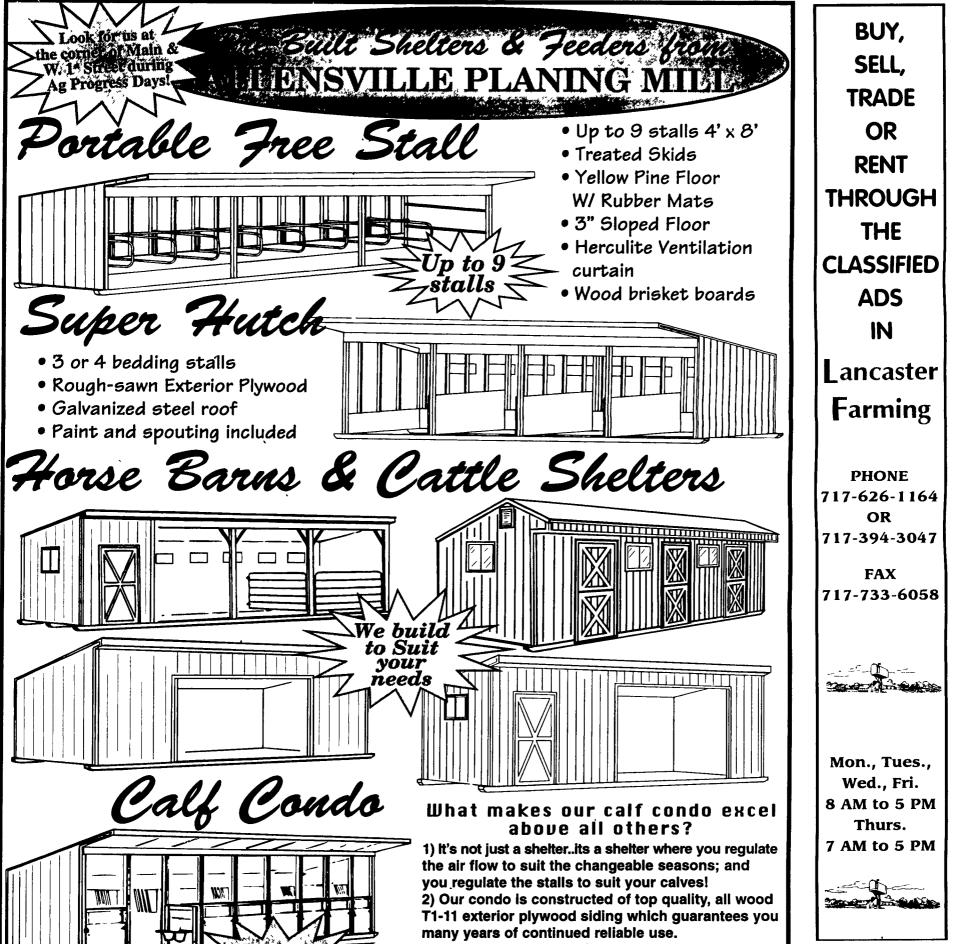
Railroads transported 120 million fewer bushels of grain in 1997 as they did in 1996 due to a lack of rail car availability and inadequate coordination. As a result, many farmers either had to pay for alternative transportation or their grain rotted. NFU was one of 10 agriculture organizations to oppose the 1996 merger of the Southern Pacific and Union Pacific railroads on the basis that it would create a monopoly for railroad transporters in some areas of the

## country.

Knecht, who raises grain and cattle, objects to the railroad's proposal to double the number of cars per train and reduce the number of stops each train makes. "When these systems are built, it will create central points of delivery and eliminate local competition. It pits small town against small town and coop against co-op," Knecht said. "I think it would be the worst thing to happen to agriculture since we had 20 percent interest

## rates."

Knecht believes recent railroad mergers have actually reduced the efficiency of grain haulers and was thankful to have an opportunity to voice his concerns with future operations. 'We are glad that Senator Johnson organized this meeting and hope an arrangement that provides producers with competitively-priced, reliable rail transportation can be achieved," Knecht said.



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