



Rep. Tim Walz authors article in support of captive shippers

Missouri River Energy Services recognizes Representative Tim Walz (D-MN) for his recent article in The Hill's Congress Blog.

Representative Walz's article - Don't raise shipping costs for Minnesota businesses – is regarding the Berkshire Hathaway acquisition premium of \$8.1 billion for BNSF Railway.

“Under normal circumstances, the price one company pays to acquire another would be of interest only to the executives and investors involved. But because of the way our freight rail system is set up, this sudden and arbitrary increase in BNSF's value could allow them to charge higher rates to their customers, including Minnesota businesses.

“Now, Berkshire Hathaway had a choice in negotiating this deal, and they chose to overpay. But Minnesota businesses, including farmers and utilities, did not have a choice. And if their shipping rates go up, most of them do not have the choice to use another railroad either. In fact, because so many Minnesota businesses only have one option for shipping their goods to market, they are often referred to as “captive shippers.”

Representative Walz discusses the Surface Transportation Board (STB) hearing held on March 22 to determine whether to allow BNSF Railway to pass through \$8.1 billion to rail customers due to the acquisition of BNSF by Berkshire Hathaway in 2010.

“If the STB gives them the green light, Berkshire Hathaway and BNSF will be allowed to pass on the costs of their acquisition premium to their customers, and ultimately to all of us. That is not right.

“The STB exists to protect railroad customers from freight rail monopoly power, not to strengthen it. That is why I am calling on the Board to do the right thing and stop any unfair rate hikes,” Representative Walz states in the article.

MRES and its members sincerely appreciate Representative Walz' article and concern in support of captive shippers, as well as his support in many other issues facing electric utilities.