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ARC Encouraged by STB Decision on DM&E

Washington, D.C. –The Alliance for Rail Competition (ARC) applauded the Surface Transportation Board's December 10th conclusion that, under the first phase of regulatory review, the Dakota, Minnesota & Eastern Railroad Corporation's (DM&E) proposal to construct a rail line into the Powder River Basin coal fields in Wyoming does, in fact, satisfy the transportation-related requirements of the law.

Although the STB indicated that the proposed DM&E project still must undergo an extensive environmental review process, ARC is hopeful that the Board will strive to accommodate both environmental concerns and the critical need for competitive rail alternatives into the Powder River Basin.

ARC Executive Director Diane Duff noted that the DM&E project offers the crucial element of competition in rail service to lifeblood industries in that area of the country. "This project is a great opportunity for the STB to encourage competition in a consolidating industry and demonstrate positive proactive regulatory oversight," said Duff. "We're encouraged by the STB's initial decision, and hope it will search for ways to balance any environmental concerns with the critical need for greater rail competition so that the project can go forward."

ARC has taken the position that the DM&E extension would help agriculture shippers as well as coal shippers. ARC has also stated that the project would not undermine the operations of other railroads already serving the Powder River Basin area, noting that, since the advent of competition in that area in 1984, the levels of traffic, infrastructure investment and revenues have all grown exponentially.

The Alliance for Rail Competition is a diverse coalition of shippers, representing many rail dependent industries, including agriculture, coal, chemicals, consumer products, industrial products, minerals and petrochemicals. ARC was formed in March 1997 to develop a consensus plan for achieving rail-to-rail competition through legislative change.