



*“Rail is the most efficient way of transporting commodities and goods -hands down, no doubt about it,” Shuck said.*

# HEAR THAT TRAIN A COMIN'

Photo by Crude Life Photography/Paul Flesland

By Jason Spiess

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Recently, BNSF executive chairman Matt Rose visited North Dakota to discuss their investment into the state and its infrastructure, as well as BNSF internal additions. Rose's \$5 billion dollar presentation was certainly overshadowed by immediate distribution concerns in ag and combustible cars in energy distribution.

The immediate issue with the rail have theme surrounding the dueling attitudes towards it being speedy and efficient to allow free trade to move on a schedule, versus centralizing a community's distribution and mobility of goods to the market. This is where we currently are. There are too many products that need to use the rail system. Right now.

"It's a world-class problem," Rose said. "But it is still very much a problem to have."

One of the most important elements to building a stable foundation in an economy is distribution. Distribution is so critical, I have often heard publishers at newspaper conferences comment offhandedly that they are really in the distribution business. And all my years of history classes and western civilization, even sociology classes told the indirect story of America's Backbone of Free Trade - the rail. Some might even say the central nervous system. You can have as much energy in the world, but with no way to get it to the grid or market, it pretty much will get stored or flared.

Rose's \$5 billion dollar presentation certainly did not satisfy the customer's immediate crops demands nor the psychological welfare of people living by the rail, it did paint the picture of what my son will be reading about in school one day.



Photo by Crude Life Photography/Kevin Tobosa

"That's the largest investment and record of anytime ever for any railroad in the United States and the free world," Rose said. "We've never seen growth in a state like we are seeing today. We've seen the Trans Continental Mainline, the coal route the Powder River Basin coal route being developed in this country, but we've never seen growth quite like we are experiencing. We are committed to spending the capital to hiring the people to handle all the business growth."

One person who understands the importance and prestige of getting things from point A to point B is Curtis Shuck, director of economic development and facilities, Port of Vancouver USA. He has a unique view into distribution since the Port of Vancouver USA is a global hub of ocean-bound and river shipping lanes, interstate highways and national rail lines. The Port is a public entity, governed by three officials elected by the port district they serve.

Recent investments by communities and the rail industry are signs that make Shuck believe the west coast has an equally important role in the Bakken.

"What's happening is there is a shift in the supply chain the way goods and services are moving," Shuck said. "With the expansion and boom that's going on in Asia right now, there's been a huge focus and shift to the railroad with grain, for instance."

Shuck continued with his example with grain that would originate in the Mississippi River Basin. Then it would be shipped to the Pacific Coast Corridor by rail, which is a newer trend. Then it would go to the world market. He said the increased rail use has shifted over the past eight years in both agriculture and energy.

North Dakota is very familiar with the Port of Vancouver USA, since their main staple is agriculture products. The Port of Vancouver USA accounts for approximately 16 percent of the total United States wheat shipments, according to Shuck.

"We've been moving North Dakota grain for over 75 years through our facility," Shuck said. "Our grain elevator just completed a \$100 million expansion. We are looking forward to even more North Dakota grain in the future."

Over the past five years, energy has captured quite the market share in the shipping business and Shuck has seen it first hand. This crossover of agriculture and energy has created more of a synergy on some levels, rather than competition, according to Shuck.

"I think what's happening, at least my take on it, is the improvements of supply chains," Shuck said. "I think where most of that synergy comes is in using the same supply chains and connections."

Shuck continued saying most of the supply chain is complete and was pioneered by the agriculture industry. He continued saying the next level of rail evolution is occurring and the overall economy will benefit.

Shuck is excited about future opportunities with Asia and North Dakota, so much so the Washington state based organization has opened a field office in Williston, ND.

"We've got that staffed now and are going to see a lot more activity with us now in the mid-continent region," Shuck said. "Not only expanding our Ag footprint, but also our energy side."

When asked about their relationship with the railroad industry, Shuck said it might be the most important relationship they have.

"The Port of Vancouver's relationship with the rail, specifically BNSF Railway, is a partnership of epic proportions," Shuck said. "We have engaged in a \$275 million dollar expansion project for our internal rail terminal network that we wouldn't have even considered if we didn't have a strong partnership with a mainline carrier."



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