

HOUSE JOINT RESOLUTION NO. 39

2/23 Introduced
2/23 Referred to Business & Labor
2/25 Hearing
2/25 Committee Report-No Recommendation
2/27 2nd Reading Pass As Amended
2/27 On Motion Rules Suspended
Placed on 3rd Reading This Day
2/27 3rd Reading Pass

Transmitted to Senate

3/06 Referred to Business & Industry
3/26 Hearing
3/28 Tabled in Committee

1 HOUSE JOINT RESOLUTION NO. 39 *M. Hart*
 2 INTRODUCED BY *Merrill Ranney*
 3 *Ally Hucley* *Montgomery* *Missell* *Leitz* *Howe*
 4 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF *Spzett*
 5 REPRESENTATIVES OF THE STATE OF MONTANA *HARD* URGING THE *Vincent*
 6 BURLINGTON NORTHERN RAILROAD TO REDUCE ITS FREIGHT RATES FOR *Walden*
 7 THE TRANSPORT OF MONTANA COAL. *Connelly*
 8 *Broady*
 9 *Tschirka*

9 WHEREAS, freight rates constitute approximately 60% of
10 the delivered price of Montana coal; and

11 WHEREAS, Burlington Northern Railroad succeeded in
12 reducing its property taxes by more than \$6,000,000 a year
13 as a result of litigation recently settled with the
14 Department of Revenue; and

15 WHEREAS, Burlington Northern Railroad currently holds a
16 monopoly on the rail transport of Montana coal, and no other
17 means exist to deliver the coal; and

18 WHEREAS, the coal freight rates of Burlington Northern
19 Railroad are not competitive compared with the rates of such
20 railroads as the Chicago Northwestern Railroad in Wyoming;
21 and

22 WHEREAS, a reduction of 4.3% in the coal freight rates
23 of Burlington Northern Railroad, or less than 1/10 of 1 cent
24 per ton mile, would cause a revenue reduction to Burlington
25 Northern approximately equal to the reduction of revenue to

1 the State of Montana from a 33 1/3% reduction in coal
2 severance taxes; and

3 WHEREAS, any reduction in the Montana coal severance
4 tax or in the bid price of coal mines could easily be
5 absorbed by Burlington Northern Railroad; and

6 WHEREAS, a small reduction in the normal coal freight
7 rates of Burlington Northern Railroad could have a greater
8 impact on coal sales than a reduction in the Montana coal
9 severance tax; and

10 WHEREAS, such a coal freight rate reduction may result
11 in greater coal sales, thereby benefiting all Montanans as
12 well as Burlington Northern Railroad.

13 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE
14 HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

15 That the Legislature strongly urges Burlington Northern
16 Railroad, which holds a monopoly on the transport of Montana
17 coal, to reduce its freight rates for the transport of
18 Montana coal.

-End-



-2- INTRODUCED BILL
HJR 39

WITHOUT RECOMMENDATION

1 HOUSE JOINT RESOLUTION NO. 39
2 INTRODUCED BY MENAHAN, RANEY, RAPP-SVRCEK, HARPER, HART,
3 ADDY, HOLLIDAY, ZABROCKI, MONTAYNE, DRISCOLL, FRITZ, HOWE,
4 SPAETH, VINCENT, WALDRON, CONNELLY, BRADLEY,
5 KOEHNKE, HANSEN, KADAS, HARP
6

7 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF
8 REPRESENTATIVES OF THE STATE OF MONTANA URGING THE
9 BURLINGTON NORTHERN RAILROAD TO REDUCE ITS FREIGHT RATES FOR
10 THE TRANSPORT OF MONTANA COAL.
11

12 WHEREAS, freight rates constitute approximately 60% of
13 the delivered price of Montana coal; and

14 WHEREAS, Burlington Northern Railroad succeeded in
15 reducing its property taxes by more than \$6,000,000 a year
16 as a result of litigation recently settled with the
17 Department of Revenue; and

18 WHEREAS, Burlington Northern Railroad currently holds a
19 monopoly on the rail transport of Montana coal, and no other
20 means exist to deliver the coal; and

21 WHEREAS, the coal freight rates of Burlington Northern
22 Railroad are ~~not-competitive-compared~~ CONFIDENTIAL UNDER THE
23 TERMS OF CONTRACTS ALLOWED UNDER THE FEDERAL STAGGERS RAIL
24 ACT OF 1980 BETWEEN THE RAILROAD AND THE SHIPPERS, IT IS
25 IMPOSSIBLE TO DETERMINE IF THE COST OF TRANSPORTING COAL

1 FROM MONTANA MINES TO MIDWESTERN UTILITY PURCHASERS IS
2 COMPETITIVE with the rates of such railroads as the Chicago
3 Northwestern Railroad in Wyoming; and

4 WHEREAS, a reduction of 4.3% in the coal freight rates
5 of Burlington Northern Railroad, or less than 1/10 of 1 cent
6 per ton mile, would cause a revenue reduction to Burlington
7 Northern approximately equal to the reduction of revenue to
8 the State of Montana from a 33 1/3% reduction in coal
9 severance taxes; and

10 WHEREAS, any reduction in the Montana coal severance
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20 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE
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22 That the Legislature strongly urges Burlington Northern
23 Railroad, which holds a monopoly on the transport of Montana
24 coal, to reduce its freight rates for the transport of
25 Montana coal.

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6
7 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF
8 REPRESENTATIVES OF THE STATE OF MONTANA URGING THE
9 BURLINGTON NORTHERN RAILROAD TO REDUCE ITS FREIGHT RATES FOR
10 THE TRANSPORT OF MONTANA COAL AND AGRICULTURAL PRODUCTS.

11
12 WHEREAS, freight rates constitute approximately 60% of
13 the delivered price of Montana coal AND AGRICULTURAL
14 PRODUCTS; and

15 WHEREAS, Burlington Northern Railroad succeeded in
16 reducing its property taxes by more than \$6,000,000 a year
17 as a result of litigation recently settled with the
18 Department of Revenue; and

19 WHEREAS, Burlington Northern Railroad currently holds a
20 monopoly on the rail transport of Montana coal AND
21 AGRICULTURAL PRODUCTS, and no other means exist to deliver
22 the coal AND AGRICULTURAL PRODUCTS; and

23 WHEREAS, the coal freight rates of Burlington Northern
24 Railroad are ~~not-competitive-compared~~ CONFIDENTIAL UNDER THE
25 TERMS OF CONTRACTS ALLOWED UNDER THE FEDERAL STAGGERS RAIL

1 ACT OF 1980 BETWEEN THE RAILROAD AND THE SHIPPERS, IT IS
2 IMPOSSIBLE TO DETERMINE IF THE COST OF TRANSPORTING COAL
3 FROM MONTANA MINES TO MIDWESTERN UTILITY PURCHASERS IS
4 COMPETITIVE with the rates of such railroads as the Chicago
5 Northwestern Railroad in Wyoming; and

6 WHEREAS, a reduction of 4.3% in the coal freight rates
7 of Burlington Northern Railroad, or less than 1/10 of 1 cent
8 per ton mile, would cause a revenue reduction to Burlington
9 Northern approximately equal to the reduction of revenue to
10 the State of Montana from a 33 1/3% reduction in coal
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12 WHEREAS, any reduction in the Montana coal severance
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14 absorbed by Burlington Northern Railroad; and

15 WHEREAS, a small reduction in the normal coal freight
16 rates of Burlington Northern Railroad could have a greater
17 impact on coal sales than a reduction in the Montana coal
18 severance tax; and

19 WHEREAS, such a coal freight rate reduction may result
20 in greater coal sales, thereby benefiting all Montanans as
21 well as Burlington Northern Railroad; AND

22 WHEREAS, FREIGHT CHARGES ARE ALSO A MAJOR COMPONENT OF
23 THE COST OF DELIVERY OF MONTANA AGRICULTURAL PRODUCTS; AND

24 WHEREAS, THE FUTURE PROSPERITY OF MONTANA DEPENDS ON
25 THE CONTINUED DEVELOPMENT OF MONTANA AGRICULTURE; AND

1 WHEREAS, A COST BREAK ON AGRICULTURAL SHIPMENTS WOULD
2 STIMULATE THE DEPRESSED FARM AND RANCH ECONOMY.

3 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE
4 HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

5 That the Legislature strongly urges Burlington Northern
6 Railroad, which holds a monopoly on the transport of Montana
7 coal AND AGRICULTURAL PRODUCTS, to reduce its freight rates
8 for the transport of Montana coal AND AGRICULTURAL PRODUCTS.

-End-