ARNE H. CARLSON GOVERNOR

STATE OF MINNESOTA

OFFICE OF THE GOVERNOR 130 STATE CAPITOL SAINT PAUL 55155

May 13, 1993

The Honorable Allan H. Spear President of the Senate G-27 Capitol Saint Paul, Minnesota 55155

Dear President Spear:

I have vetoed and am returning Chapter 133, Senate File 645/House File 700, a bill relating to railroad acquisitions.

Chapter 133 attempts to create a priority hiring right for railroad employees when one railroad is acquired by another. This measure is identical to a bill I pocket vetoed at the end of the 1992 session. Once again, the legislature has produced a bill which may harm rural Minnesota and is of questionable constitutionality.

Rural Minnesota depends on rail transportation to move approximately 120 tons of commodities each year. Much of this freight is moved on track acquired by regional railroads that have been able to provide continued service in the face of abandonment by larger carriers. These shortlines have been able to operate at a lower cost and provide flexible service to local shippers, particularly rural elevators and agribusiness. Imposing new state restrictions and burdens on top of the present federal system would be unwise.

The bill is also an invitation to litigation. Congress and the Supreme Court have made it clear that rail transportation in general, and rail line sales in particular, are preempted by federal law. The Interstate Commerce Commission and the National Mediation Board have exclusive jurisdiction in this field.

However, I firmly believe that rail employees have made some compelling arguments. These workers should have some rights after an acquisition. Minnesota has a history of creative solutions when unions and employees sit down together. Toward that end, I have asked Senator Dean Johnson to work with the affected parties and seek a compromise for the 1994 legislative session.

Warmest regards,

ARNE H. CARLSON

Governor

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cc: Senator Roger Moe, Majority Leader
Senator Dean Johnson, Minority Leader
Representative Dee Long, Speaker of the House
Representative Steve Sviggum, Minority Leader
Senator Florian Chmielewski
Representative Jim Farrell
Mr. Patrick Flahaven, Secretary of the Senate
Mr. Edward A. Burdick, Chief Clerk of the House
Ms. Joan Anderson Growe, Secretary of State