

June 23, 2015

The Honorable Susan Collins
Chairman, Subcommittee on Transportation,
Housing and Urban Development, and
Related Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Jack Reed
Ranking Member, Subcommittee on Transportation,
Housing and Urban Development, and
Related Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Mario Diaz-Balart
Chairman, Subcommittee on Transportation,
Housing and Urban Development, and
Related Agencies
Committee on Appropriations
United States House of Representatives
Washington, DC 20515

The Honorable David Price
Ranking Member, Subcommittee on Transportation,
Housing and Urban Development, and
Related Agencies
Committee on Appropriations
United States House of Representatives
Washington, DC 20515

Dear Chairman Collins, Ranking Member Reed, Chairman Diaz-Balart, and
Ranking Member Price:

The undersigned represent the Rail Customer Coalition (RCC), a group of trade associations and businesses from the manufacturing, distribution, energy and agricultural industries that depend on reliable and affordable rail service to do business in the United States. As the House and Senate advance their respective THUD bills approaching a potential conference, we are writing to support additional funding for the Surface Transportation Board (STB or Board) in the appropriations process to help ensure the Board has adequate resources to meet its statutory mission.

The STB is responsible for the economic oversight of the entire freight rail industry, which involves not only large and resource-intensive rate cases, but hundreds of smaller decisions and actions. This group is committed to modernizing the Board so that the agency can become a more effective intermediary between the railroads and the thousands of large and small American businesses that rely on them. We strongly support Senators John Thune and Bill Nelson's bipartisan bill S.808 which would provide commonsense improvements to make the STB more efficient and effective. We also believe that with Senate passage of S.808 on June 18, 2015 and anticipated House adoption, additional resources are needed for the Board to meet the needs of the users of the freight rail system by providing adequate oversight and appropriate intervention.

With more than three-quarters of freight stations controlled by a single Class I railroad, and with only four Class I railroads controlling over 90% of the rail traffic in the United States, the STB is

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being called on to resolve more-complex rate disputes between railroads and their customers who have no competitive options. Furthermore, severe railroad service disruptions have drawn significant STB attention and diverted considerable agency resources. At the same time, key proceedings on rules that would allow more competition in the rail industry have not advanced to the Advanced Notice of Proposed Rulemaking stage after nearly 4 years, as the Board considers extensive data and comments provided by stakeholders.

The STB is the only venue for customers of the rail industry to receive official adjudication of issues with their market dominant service providers, as the railroads are exempt from certain antitrust laws and issues cannot typically be heard in Federal Court. Many rail customers who believe they have legitimate complaints will not go to the STB because of institutional barriers and the belief that their issues will not be dealt with in a timely and reasonable fashion.

At a recent Transportation and Infrastructure Committee hearing, the acting Chairwoman of the Surface Transportation Board Deb Miller highlighted an issue that has long concerned many members of the RCC. The STB computer system is antiquated to the point where the system engineers can no longer provide many services. The STB website is also inadequate, largely due to constraints presented by outdated computer networks. We support additional funding to support upgrades that would enhance the efficiency of the agency.

The STB must have adequate staff and resources to meet its statutory mission. The RCC members support additional funding for the Board in the Appropriations process, and looks forward to working with the Committees to find solutions to the challenges faced by the Board.

Sincerely,

Agricultural Retailers Association

Alliance for Rail Competition

American Chemistry Council

American Farm Bureau Federation

American Forest & Paper Association

American Fuel & Petrochemical Manufacturers

American Public Power Association

The Chlorine Institute

Consumers United for Rail Equity

Glass Packaging Institute

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International Warehouse Logistics Association

National Association of Chemical Distributors

National Farmers Union

National Industrial Transportation League

National Rural Electric Cooperative Association

Society of Chemical Manufacturers and Affiliates

Steel Manufacturers Association