



# Freight Rail Customer Alliance

## 2021 Federal Legislative and Regulatory Priorities

### 117<sup>th</sup> Congress, First Session

#### Legislative Issues

✓ ***Surface Transportation Board (STB) Reauthorization Act of 2015, P.L. 114-110***  
**Congressional Oversight & Implementation**

Continued STB implementation and Congressional oversight of the first authorization for the STB since 1998 which is establishing basic reforms and process enhancements for the Board.

✓ **Annual Appropriation Levels for the Surface Transportation Board**

For FY 2022, FRCA supports a minimum of \$39.152 million for the STB, as recommended in the Administration's Budget.

Also, for FY 2022, FRCA supports accompanying report language addressing shipper concerns regarding delays in regulatory proceedings, service problems, a greater use of Cost Benefit Analysis in proceedings, and a potential merger among two Class I rail carriers – the first in over 20 years and under Precision Scheduled Railroading.

✓ **Rail Shipper Fairness Act**

Legislation that would build upon the reforms to the Board made by the U.S. Congress when it reauthorized the STB in 2015.

✓ **Precision Scheduled Railroading (PSR)**

Legislation that would review how certain railroad operating practices, such as PSR, are impacting freight rail shippers.

✓ **Emergency Fuel Supply Coordination**

Legislation that would establish efforts to prevent disruptions, uncertainties and delays in commodities reaching the market.

✓ **Railroad Antitrust Exemption**

Legislation that would remove certain special freight railroad antitrust exemptions.

## Proceedings before the Surface Transportation Board

### ✓ **Revenue Adequacy Considerations**

STB efforts in exploring its methods in determining railroad revenue adequacy in Docket No. EP 766, *Joint Petition for Rulemaking—Annual Revenue Adequacy Determinations* and Docket No. EP 761, *Hearing on Revenue Adequacy*, and Document No. EP 711, *Railroad Revenue Adequacy*.

As a part of these proceedings, FRCA strongly opposes the use of replacement cost methodologies.

### ✓ **Rate-Reasonableness Standards and Expediting Rate Cases**

Actions to review the Board's three tests when used to determine railroad rate reasonableness in two Final Rules: EP Docket No. 733, *Expediting Rate Cases*.

FRCA supports STB's efforts to evaluate the effectiveness of the three current rate-reasonableness tests for today's market conditions, and exploring how best to expedite all-sized rate cases.

### ✓ **First-Mile/Last-Mile Rail Carrier Service Performance Data**

In Docket No. EP 767, *FIRST-MILE/LAST-MILE (FMLM) SERVICE*, the Board is seeking public comments on: 1) what FMLM issues are considered relevant; 2) if further examination of FMLM issues is warranted; and, 3) whether metrics to measure FMLM service that are not now being reported to the Board might have utility for the supply chain.

FRCA supports FMLM rail carrier service performance data, in the aggregate, to be reported to the STB. This effort would help fill the gap between what rail carrier data is currently provided versus the actual rail carrier service being experienced by shippers, especially under PSR.

### ✓ **Commodity Exemption Review**

The Notice of Proposed Rulemaking in Docket No. EP 704 (Sub-No. 1), *Review of Commodity, Boxcar, and TOFC/COFC Exemptions*, that would allow certain commodities to seek rate and/or service relief before the Board.

FRCA believes that exemptions for certain commodities are no longer needed and have become counterproductive in today's market conditions. FRCA also advocates that all freight rail shippers, regardless of commodity, should be able to seek rate and/or service relief before the Board.

### ✓ **Competitive Switching (Access)**

The Notice of Proposed Rulemaking to determine the pros and cons of requiring railroads to provide requested switching arrangements in Docket No. EP 711 (Sub No. – 1), *Reciprocal Switching*.

FRCA supports allowing shippers with direct access to only one railroad to have that carrier provide a "switch" for a nearby rail carrier under certain conditions.

## Supporting Published Reports

- ✓ "Freight Rail Pricing: Contracts Provide Shippers and Railroads Flexibility, but High Rates Concern Some Shippers", General Accountability Office. December 2016.

- ✓ "Modernizing Freight Rail Regulation", Transportation Research Board. June 2015.

- ✓ Quadrennial Energy Review, U.S. Department of Energy. April 2015.