



Freight Rail Customer Alliance

June 24, 2021

VIA EMAIL

The Honorable, Patrick Leahy Chair
U.S. Senate
Senate Appropriations Committee
S-218, The Capitol Building
Washington, DC 20510

The Honorable Richard Shelby, Vice Chair
U.S. Senate
Senate Appropriations Committee
S-146A, The Capitol Building
Washington, DC 20510

The Honorable, Brian Schatz, Chair
Transportation, Housing & Urban Development,
and Related Agencies Subcommittee
Senate Appropriations Committee
184 Dirksen Senate Office Building
Washington, DC 20510

The Honorable, Susan Collins, Ranking Member
Transportation, Housing & Urban Development,
and Related Agencies Subcommittee
Senate Appropriations Committee
125 Hart Senate Office Building
Washington, DC 20510

Dear Chairs Leahy and Schatz, and Ranking Members Shelby and Collins:

The Freight Rail Customer Alliance (FRCA) – an umbrella organization including trade associations representing more than 3,500 manufacturing, agriculture, chemical and alternative fuels companies, electric utilities, and their customers – thanks you and your Appropriation Committee colleagues for continuing to support freight rail shipper issues.

In particular, FRCA thanks you and your colleagues for providing \$37.5 million for the Surface Transportation Board (STB or Board) for the current in Fiscal Year (FY) 2021, P.L. 116-260, and related report language:

Regulatory proceedings. -The agreement encourages the STB to provide a timely and decisive regulatory process, applauds the recent actions to adopt the full complement of board members to the STB, and encourages the administration to make nominations as soon as possible after a member's term expires.

First, for FY 2022, FRCA requests that you provide, at a minimum, the \$39.152 million as recommended by President Biden in the Administration's FY 2022 Budget.

- The STB needs to have adequate annual appropriated funds in order to provide necessary and effective oversight of our country's growing reliance on freight rail, and as our nation continues to recover from the pandemic. Freight rail is a vital component of our nation's economy. It is relied upon by farmers to deliver crops to market and by utilities and propane suppliers to receive the fuel they need to serve their customers. Freight rail also enhances our global competitiveness.
- This appropriation need is made more acute by the unprecedented demand placed on STB's regular activities and resources given the pending rail merger proceedings before the Board – all of which pose significant service and rate issues for captive shippers, and questions concerning the structure of a possibly more consolidated freight rail industry.

- The ***Surface Transportation Board (STB) Reauthorization Act of 2015*** (P.L. 114-110) gave the STB additional responsibilities, including instilling processes and procedures to enhance transparency and overall effectiveness. Freight rail shippers rely heavily on rail industry data provided through the STB to help: 1) make vital daily and longer-term operational decisions; 2) forecast industry emerging trends; and, 3) monitor the railroads' service and performance levels.

- STB continues to make positive strides in improving its data collection and distribution processes. The FY 2022 requested funding level will allow the STB to comply with the transparency requirements of the ***STB Reauthorization Act of 2015*** while providing all industry stakeholders with timely data in a usable format. As noted in the Administration's Budget, there continues to be a priority on supporting, "...additional data and analytical capabilities to continue to enhance the Board's evidence-based decision-making. In FY 2022, the STB would continue to modernize its enterprise-wide data and analytics technology, skills, processes, and products to better leverage its data as a strategic asset."

Second, thanks in large part to your Committee's attention to stakeholder concerns via previous report language, progress continues to be made especially with the STB now operating with a full complement of Board Members and moving on some major proceedings.

FRCA requests that your Committee include accompanying report language in the FY 2022 appropriations measure addressing ongoing or new concerns: 1) freight rail service problems adversely impacting shippers; 2) industry pressure to utilize a greater use of cost-based analysis; and, 3) now a potential merger between two Class I carriers – the first that has been seen in over 20 years and under Precision Scheduled Railroading.

Your ongoing commitment to the STB, by appropriating these necessary funds and incorporating the corresponding report language, is still greatly needed.

Thank you for your continued leadership and consideration.

Sincerely,



Ann Warner, FRCA Spokesperson

cc: Senator Jack Reed
Senator Patty Murray
Senator Dick Durbin
Senator Dianne Feinstein
Senator Chris Coons
Senator Chris Murphy
Senator Joe Manchin
Senator Chris Van Hollen
Senator Tammy Baldwin
Senator Roy Blunt
Senator John Boozman
Senator Shelley Moore Capito
Senator Lindsay Graham
Senator John Hoeven
Senator John Kennedy
Senator Mike Braun
Shelley Sahling-Zart, FRCA President



Freight Rail Customer Alliance

The Freight Rail Customer Alliance (FRCA) includes large trade associations representing more than 3,500 electric utility, agriculture, chemical, and alternative fuel companies and their consumers. Through a growing coalition of industries and associations, the mission of FRCA is to obtain changes in Federal law and policy that will provide all freight shippers with reliable rail service at competitive prices. www.railvoices.org

Arizona Electric Power Cooperative, Inc., Benson, Arizona

Provides power to more than 147,000 electric meters and 350,000 people in Arizona, California and New Mexico.

Basin Electric Power Cooperative, Bismarck, North Dakota

Serving more 120 member systems that provide power and services to 2.9 million consumers in parts of North Dakota, South Dakota, Wyoming, Colorado, Minnesota, Iowa, Nebraska, Montana, and New Mexico.

Dairyland Power Cooperative, LaCrosse, Wisconsin

A generation and transmission cooperative (G&T) that provided the wholesale electrical requirements for 25 electric distribution cooperatives and 20 municipal utilities in Upper Midwest: Wisconsin, Iowa, Minnesota, and Illinois.

Edison Electric Institute, Washington, D.C.

The Edison Electric Institute (EEI) is the association that represents all U.S. investor-owned electric companies. EEI members provide electricity for 220 million Americans, operate in all 50 states and the District of Columbia, and directly employ more than 500,000 workers.

Lafayette Utilities System, Lafayette, Louisiana

Providing quality electric, water and wastewater service to consumers in Lafayette, Louisiana.

Lincoln Electric System, Lincoln, Nebraska

Services approximately 200 square miles within Lancaster County in Nebraska, comprising the cities of Lincoln, Prairie Home, Waverly, Walton, Cheney, and Emerald.

Missouri River Energy Services, Sioux Falls, South Dakota

Providing power and other energy services to fifty-nine municipally-owned and operated electric utilities in Iowa, Minnesota, South Dakota and North Dakota.

Municipal Electric Authority of Georgia, Atlanta, Georgia

Generation & Transmission provider to 49 municipal systems throughout Georgia.

National Propane Gas Association (NPGA), Washington D.C.

The national trade association of the U.S. propane industry with a membership of approximately 2,800 companies in all 50 states, which also includes 38 affiliated state or regional associations and members in 19 foreign countries.

National Rural Electrical Cooperative Association, Arlington, Virginia

NRECA is the national service organization for more than 900 not-for-profit rural electric cooperatives and public power districts providing retail electric service to more than 42 million consumers in 47 states and whose retail sales account for approximately 12 percent of total electricity sales in the United States.

North Carolina Electric Membership Corporation, Raleigh, North Carolina

Supplying power to more than 2.4 million people in 27 cooperatives throughout North Carolina.