



Freight Rail Customer Alliance

August 1, 2023

President Joe Biden
1600 Pennsylvania Avenue, NW
Washington, DC 20050

Dear Mr. President -

The Freight Rail Customer Alliance (FRCA) – an umbrella organization that includes trade associations representing more than 3,500 manufacturing, agriculture chemical, alternative fuels companies, electric utilities, and their customers – strongly supports the nominations of both Chair Martin Oberman (D) of Illinois and Member Patrick Fuchs (R) of Wisconsin to serve their second terms on the Surface Transportation Board (STB or Board).

Freight rail is vital to our nation's economy. Farmers rely on rail both for fertilizer to grow their crops and feed their livestock and to deliver their crops to market. Energy suppliers rely on rail to receive the fuel they require to serve their customers. Manufacturers, processors, and distributors rely on rail both to receive materials and deliver finished products and consumer goods. Freight rail is essential for growing our national economy, expanding employment, maintaining global competitiveness, supporting international trade, enhancing national defense, and preserving global security.

Since joining the Board in January 2019, Chair Oberman and Member Fuchs have, through their leadership and contributions, been instrumental in the Board's role in providing effective oversight over the railroad industry, helping it to meet its statutory obligations and fulfilling its critical role within our nation's overall supply chains.

During this period, the railroad industry, along with its customers and other stakeholders, have faced major challenges as reflected in several major pending proceedings before the Board, some of which involve matters that go back decades. Those matters have been made more acute due to a combination of (1) the railroad industry's adoption of Precision-Scheduled Railroad in recent years, (2) the Covid pandemic and the resulting shortages that still linger, and (3) the high level of concentration in the railroad industry, where only four Class I railroads control 90% of our nation's freight rail traffic and no more than two railroads generally operate in any given area. The industry's resulting lack of competition, combined with the railroads' inability to meet customer demand in a reasonable manner, imposes burdens and risks on shippers, their customers, employment, and ultimately the general public. Addressing these types of challenges requires the expertise and experience that Chair Oberman and Member Fuchs have repeatedly demonstrated.

While the Board has made progress in some of these proceedings, much work remains, including resolution of major rulemakings involving Urgent Issues in Rail Service, First-Mile Last-Mile Service, Revenue Adequacy Considerations, Rate-Reasonableness Standards, Expediting Rate Cases (for larger shippers), Commodity Exemption, and Competitive Switching.

Effective and targeted Board oversight is also critical for providing the conditions that will enable the industry to grow rail freight volume. Such growth will benefit all stakeholders through increased revenue and profits for railroads, increased volumes for shippers, associated increases in employment and economic production, and resulting decreases in greenhouse gas emissions and highway congestion as freight shifts from trucks to trains. These benefits can be achieved only if the Board is allowed to enhance competition within the railroad industry under the continued leadership of Chair Oberman and Member Fuchs,

Chair Oberman, as he has done throughout his long and diverse career, approaches all matters before the Board in an open, transparent, bi-partisan, balanced, and collegial manner. He always recognizes that the elements of the rail industry have to work smoothly together in order to serve the interests of the varied stakeholders. Under his leadership, the Board has not shied away from delving into the difficult issues facing the industry and its stakeholders, especially systemic railroad service failures. By holding multiple hearings, he has ensured that all voices are heard and that the Board is fully informed before taking action.

Member Fuchs continues to utilize his experience and expertise to identify and address issues in a manner that enhances the effectiveness of the Board and improves the condition of the industry. His ability to develop meaningful and verifiable data helps the Board to achieve workable and evidence-based solutions to benefit all stakeholders.

Chair Oberman and Member Fuchs have functioned particularly effectively in tandem and have always facilitated collaboration within the Board and among its staff. While their views and perspectives often differ, their approaches are always complementary, and any disagreements result in a deeper and more informed discussion and understanding of challenging issues.

FRCA views Chair Oberman as an appropriate Democratic nominee and Member Fuchs as an appropriate Republican nominee to serve second terms. As Chair Oberman's and Member Fuchs's first terms expire on December 31, 2023 and January 17, 2024, respectively, your prompt attention to this matter is greatly appreciated.

Thank you for your continued leadership on freight rail shipping issues, including ensuring Member continuity on the Board at this most critical time.

Sincerely,



Ann Warner LLC
Spokesperson for FRCA

About FRCA

An umbrella membership organization, 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