



Freight Rail Customer Alliance

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“The Freight Rail Customer Alliance (FRCA) appreciates the continued leadership of Chairs Peter DeFazio (D-OR-4), David Scott (D-Ga-13), Donald Payne (D-NJ-10), and Jim Costa (D-CA-16) on freight rail service issues as demonstrated by today’s introduction of the [*Freight Rail Shipping Fair Market Act*](#)“, stated FRCA’s President Shelley Sahling-Zart. “This bill is consistent with FRCA’s longstanding policy goals and objectives by providing the Surface Transportation Board (STB) with enhanced tools to hold railroads accountable for reasonable service at reasonable rates,” she added.

“This bill addresses ongoing rail service problems experienced by FRCA members complicated by our nation’s supply chain challenges and the railroads’ implementation of Precision Scheduled Railroading (PSR),” said FRCA Vice President Emily Regis.

FRCA Spokesperson Ann Warner, added that “most FRCA members, who generate and distribute electricity to our nation’s homes and businesses, can only receive their energy source(s) by freight rail under a Federal requirement known as the “Common Carrier Obligation” (COO). Since its inception, this principle is vague, allowing railroads to skirt their COO, leaving utilities across the country vulnerable in serving their customers’ electricity needs, especially during severe heat or cold, because they are not receiving the needed amounts of fuel. This bill would clarify the COO statutory provision and provide the STB flexibility when determining if a railroad is meeting its COO. It would facilitate enforcing service performance standards and provide enhanced transparency.”

Other provisions in the bill that aim to further strengthen the Board’s current efforts include:

- Allowing private rail car owners – such as most utilities – to assess demurrage (fees) on railroads for the improper use of their rail cars, such as when railroads are slow to deliver or pick up rail cars. The railcar ownership market has changed during the past few decades, and shippers own or lease two-thirds of the freight rail cars in use today. In addition to the costs incurred in owning or leasing the railcars, these shippers are also responsible for the repair and maintenance of these railcars.
- Prohibiting railroads from imposing increased rates during a STB-declared Emergency Service Order.
- Requiring the General Accountability Office to benchmark the STB’s civil penalty authority – which the Board has used only once in the last 10 years – and compare the current STB penalty amounts with those of similar regulatory agencies.
- Requiring the STB to review commodity exemptions, which prevent shippers from seeking redress or relief, within one year after the bill’s enactment and then every 10 years. These commodity exemptions were established based upon the existence of effective competition at the time, which does not necessarily remain the case in today’s transportation marketplace.

“FRCA remains committed to working with Congress to address shipper concerns as this bill moves forward,” concluded Sahling-Zart.

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About FRCA

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