



Freight Rail Customer Alliance

July 29, 2021

VIA EMAIL

Senator Maria Cantwell, Chair
Senate Commerce, Science
and Transportation Committee
U.S. Senate
425 Dirksen Senate Office Building
Washington, DC 20510

Senator Gary Peters, Chair
Surface Transportation and Merchant Marine
Infrastructure, Safety and Security Subcommittee
Senate Commerce, Science
and Transportation Committee
U.S. Senate
427 Hart Senate Office Building
Washington, DC 20510

Senator Roger Wicker, Ranking Member
Senate Commerce, Science
and Transportation Committee
U.S. Senate
512 Dirksen Senate Office Building
Washington, DC 20510

Senator Deb Fischer, Ranking Member
Surface Transportation and Merchant Marine
Infrastructure, Safety and Security Subcommittee
Senate Commerce, Science
and Transportation Committee
U.S. Senate
512 Hart Senate Office Building
Washington, DC 20510

Dear Senators Cantwell, Wicker, Peters, and Fischer:

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 – strongly supports the confirmation of Ms. Karen J. Hedlund (D) of Colorado to serve as a Member of the Surface Transportation Board (STB or Board).

Thanks to your collective leadership, the ***STB Reauthorization Act of 2015 (Act)***, P.L. 114-110, marks the first time since 1998 that the Board was reauthorized. The reauthorizing law: (1) provides much-needed reforms to the Board's process to address numerous historical shortcomings experienced by the Board and industry stakeholders; (2) improves the Board's transparency; (3) helps the Board to operate more expeditiously and efficiently; and (4) better enables the Board to strike a more equitable balance among the interests of its diverse stakeholders. The ***Act*** also expands the size of the Board from three Members to five Members to allow the agency to become more functional and collaborative.

Our country's ever-growing reliance on freight rail commands the Board to provide necessary and effective oversight, especially considering only four Class I railroads control 90% of our nation's freight rail traffic. Freight rail is a vital component of our nation's economy. Farmers rely on rail both for fertilizer to grow their crops and to deliver those crops to market, and utilities and propane suppliers rely on rail to receive the fuel they need to serve their customers. Freight rail also enhances the growth of our economy and our global competitiveness.

Ms. Hedlund's vast and diversified professional experience offered her the unique opportunity to facilitate cooperation between the public and private sectors in order to effectively meet the needs of their respective customers and the communities they both serve. Particularly during her service at the Federal Railroad Administration, she gained important insight into how all elements of the rail industry to have to work smoothly together – including recognizing the interests and priorities of each stakeholder.



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During the Commerce Committee's nomination hearing last month, Ms. Hedlund stated her commitment to approaching all matters before the Board through analysis and displayed full transparency by all parties regarding, factual, policy, and legal issues. FRCA welcomes Ms. Hedlund's contributions towards identifying and achieving workable solutions to expedite rate cases – just one of the directives outlined in the *Act* – and better utilizing the Board's existing authority to examine and help solve problems that typically arise among shippers and rail carriers. While acknowledging that much of what STB aims to achieve is balance among all stakeholders, Hedlund also committed to working diligently to see that all outcomes, first and foremost, serve the public interest.

There are several major pending proceedings before the Board – some going back decades – that involve the most substantive issues of great importance to the Board, shippers, railroads, and the general public. They are technical, complex, and challenging – requiring resolution to reflect today's market conditions and freight rail demands. FRCA looks forward to Ms. Hedlund's pledged untethered and cooperative style when dealing with these major proceedings including but not limited to Revenue Adequacy Considerations, Rate-Reasonableness Standards and Expediting Rate Cases, Commodity Exemption, and Competitive Switching.

In addition to these proceedings, FRCA welcomes Ms. Hedlund's legal and financial background as the Board faces a potential merger between two Class I carriers – the first that has been seen in over 20 years, under new merger rules, and under Precision Scheduled Railroading.

FRCA views Ms. Hedlund as an appropriate Democratic nominee to serve as Member of the STB and welcomes her swift confirmation.

Thank you for your continued leadership and commitment in ensuring the continuity of a full complement of Members to the Board.

Sincerely,

Ann Warner LLC
Spokesperson for FRCA

cc: Members of the Senate Commerce, Science and Transportation Committee

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
