



FREIGHT RAIL SERVICE PROBLEMS CRY OUT FOR OVERSIGHT

Many of our members depend on freight railroads to serve their customers and grow their businesses. Unfortunately, poor service and a lack of rail capacity are creating serious problems that are totally out of our members' ability to control or even influence in a meaningful way.

These problems have resulted from a confluence of several events.

1. Increased freight levels in all transportation modes, straining the system
2. Operational changes by some of the Class 1 railroads
3. A lack of meaningful rail competition
4. The inability of regulators to quickly effect change to address rail service issues
5. A focus on Wall Street rather than customers

The railroads insist service is improving, but rail customers are still being hurt. Rail service issues are interrupting customer operations, increasing their costs, and inhibiting their growth and their ability to provide new jobs. The inability of the existing regulatory framework to correct the issues faced by freight rail customers and mitigate the downstream impact on the U.S. economy illustrates the need for Congress to address the following questions:

1. What is the root cause of the service problems?
2. What are the possible solution sets?
3. Are existing policy levers adequate for the issues affecting today's freight rail?
4. What is the effect on consumer and commodity prices?
5. What is the potential drag on the U.S. economy?

We suggest that Congress consider holding hearings on these issues.

1. The effectiveness of current agency policy levers
2. The potential effect of more competitive switching
3. The appropriateness of current measurements of freight rail service
4. The appropriateness of current return-of-cost-of-capital ratios, revenue adequacy determination, and rate reasonableness standards
5. The effect of poor service on rail customers
6. The appropriateness of exempted commodities

For more information:



Freight Rail
Customer Alliance

Freight Rail Customer Alliance
300 New Jersey Avenue, Suite 900
Washington, DC 20001
(202) 465-8716
ann@annwarnerllc.com



National Industrial Transportation League
7918 Jones Branch Drive, Suite 300
McLean, VA 22102
(703) 524-5011
randymullett@hotmail.com



Private Railcar Food and Beverage Association
11620 Red Run Blvd.
Reisterstown, MD 21136-6232
(443) 738-8802
bcataneo@prfba.org