

August 14, 2017

The Honorable John Thune
Chairman
Committee on Commerce, Science,
and Transportation
United States Senate
Washington, DC 20510

The Honorable Bill Nelson
Ranking Member
Committee on Commerce, Science,
and Transportation
United States Senate
Washington, DC 20510

The Honorable Bill Shuster
Chairman
Committee on Transportation and Infrastructure
United States House of Representatives
Washington, DC 20515

The Honorable Peter DeFazio
Ranking Member
Committee on Transportation and Infrastructure
United States House of Representatives
Washington, DC 20515

Dear Chairman Thune, Ranking Member Nelson, Chairman Shuster, and
Ranking Member DeFazio:

The undersigned groups are writing to you on behalf of the Rail Customer Coalition (RCC) to express our strong concerns regarding the serious and disruptive rail service problems our members are experiencing due to major changes that have upended the CSX network.

The RCC is a large collection of trade associations representing a broad range of manufacturing, agricultural, and energy industries that depend on the railroads to deliver reliable service to support our operations and customers across the country.

As has been widely reported, there are chronic service failures occurring across the CSX network which are impacting the entire North American rail network. Major service changes have been imposed with little advance notice, and CSX's response to customer complaints has been woefully inadequate. Rail customers have had to take extraordinary steps at great cost to meet the needs of their customers because CSX has repeatedly failed to pick up and deliver cars. This has put rail dependent business operations throughout the U.S. at risk of shutting down, caused severe bottlenecks in the delivery of key goods and services, and has put the health of our nation's economy in jeopardy.

RCC members are concerned that the severe deterioration of service will continue for the foreseeable future, and that changes imposed by CSX may fundamentally degrade the long-term resiliency of the national rail network. While we were pleased that the STB recently sent a letter to CSX and has requested calls with CSX on a weekly basis, additional action is urgently needed.

The RCC worked closely with Congress to pass common-sense reforms to help make the Surface Transportation Board (STB) a more viable and effective intermediary between railroads and their customers when service issues exist. The STB Reauthorization Act of 2015 gives the Board clear authority to investigate on its own initiative rail issues of national or regional significance. Congress should now urge the STB to utilize this important authority (as defined in 49 USC

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11701) to formally open an investigation of recent CSX service problems, addressing the underlying causes as well as the short and long-term impacts, including whether CSX is meeting its common carrier obligations.

Additionally, the RCC requests that Congress encourage the STB to expedite its work in pending proceedings related to reciprocal switching. This long-delayed action could provide captive shippers with access to alternative railroad options, which could help address service failures like those our member companies are currently experiencing with CSX.

Finally, we respectfully ask Congress to examine the ramifications of the CSX service breakdown, and whether there are adequate means available to the STB to mitigate the adverse impacts to the rail network. The fact that many businesses have no choice when it comes to their rail provider has greatly exacerbated CSX service failures. Unfortunately, rail service is dictating the fate of many shippers and their customers who have no effective transportation option to alleviate this failure in the marketplace.

With service disruptions continuing to mount and no solution in sight, our members need decisive action from Congress and the STB.

Agricultural Retailers Association

Alliance for Rail Competition

Alliance of Automobile Manufacturers

American Chemistry Council

American Forest & Paper Association

American Fuel & Petrochemical Manufacturers

American Malting Barley Association, Inc.

American Petroleum Institute

Association of Global Automakers

Beer Institute

Chemical Industry Council of Delaware

Chemical Industry Council of Illinois

Chemistry Council of Missouri

Chemistry Council of New Jersey

The Chlorine Institute

Corn Refiners Association

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The Fertilizer Institute

Georgia Chemistry Council

Glass Packaging Institute

Global Automakers

Grocery Manufacturers Association

Institute of Scrap Recycling Industries, Inc.

International Warehouse Logistics Association

Louisiana Chemical Association

Manufacture Alabama

Manufacturers Association of Florida

Massachusetts Chemistry & Technology Alliance, Inc.

Michigan Chemistry Council

National Association of Chemical Distributors

National Barley Growers Association

National Farmers Union

National Industrial Transportation League

New York State Chemistry Council

North Carolina Manufacturers Alliance

Ohio Chemistry Technology Council

Pennsylvania Chemical Industry Council

Private Railcar Food and Beverage Association

South Carolina Manufacturers Alliance

Southeastern Lumber Manufacturers Association, Inc.

Steel Manufacturers Association

The Sulphur Institute

Texas Chemical Council

Vinyl Institute

Virginia Chemistry Council

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Virginia Forestry Association

West Virginia Manufacturers Association

cc: The Honorable Ann Begeman, Acting Chairman, Surface Transportation Board
The Honorable Daniel Elliott, Vice Chairman, Surface Transportation Board
The Honorable Deb Miller, Surface Transportation Board
The Honorable Deb Fischer, Chairman, Subcommittee on Surface Transportation and
Merchant Marine Infrastructure, Safety and Security, Committee on Commerce, Science,
and Transportation
The Honorable Cory Booker, Ranking Member, Subcommittee on Surface Transportation
and Merchant Marine Infrastructure, Safety and Security, Committee on Commerce,
Science, and Transportation
The Honorable Jeff Denham, Chairman, Subcommittee on Railroads, Pipelines, and
Hazardous Materials, Committee on Transportation and Infrastructure
The Honorable Michael Capuano, Ranking Member, Subcommittee on Railroads, Pipelines,
and Hazardous Materials, Committee on Transportation and Infrastructure