

Small and large businesses across America depend on railroads to connect them with their customers, which is why a bulk of freight rail customers have come together to form the Rail Customer Coalition. The Coalition supports regulatory reforms at the Surface Transportation Board (STB) that will promote a healthy, reliable and competitive freight rail network.

Congress took an important step by passing legislation to help improve how the STB operates, and now the STB is pursuing much needed changes to adopt free market principles and do a better job resolving long-standing freight rail problems. Members of the Coalition are calling on the Trump administration and Congress to help keep the STB on track and get our nation's freight rail system back to work for its customers.

Growing Problems

Massive consolidation within the rail industry has left just four railroads in control of 90 percent of the rail traffic in the U.S. Unfortunately, outdated government policies have failed to keep pace with these changes and have left many rail customers without access to competitive transportation options or an effective way to resolve problems with rates and service. As a result, freight rail rates have doubled – more than three times the rate of inflation over the past decade – even though the volume of freight carried by the railroads has barely increased.

Put Competition Back on Track

Competition is the foundation of the free enterprise system and it is what helps drive innovation and cost-savings throughout our economy. At long last the STB has begun to move forward on practical reforms that will remove federal barriers to competition and allow the marketplace to work. Under one of the Board's proposals, rail customers will for the first time have an effective means to seek competitive bids through reciprocal/competitive switching.

Reducing the Cost of Bureaucracy

The Board is also trying to cut the red tape out of its procedures for resolving rate issues where rail customers lack competitive transportation options. The STB's current system is a bureaucratic nightmare with recent rate cases taking an average of 5 years and \$5 million to complete. This is unacceptable regulatory hurdle is one that many rail customers cannot afford. The STB should replace its outdated and overly burdensome policies with a market based alternative, such as competitive rate benchmarking. Doing so would dramatically reduce the amount of time and money it takes to address unreasonable rates that are a result of monopoly pricing, and no longer require shippers, railroads and the federal government to sink millions of dollars into rate cases.

STB is on the Right Course

The STB is pursuing much needed changes to adopt free market principles and do a better job resolving long-standing freight rail problems. Congress and the Administration must encourage the Board to keep moving forward on these changes and ensure that individuals that serve on the STB are committed to adopting these long overdue reforms.

Rail Customer Coalition

The Rail Customer Coalition (RCC) is a large collection of trade associations representing a broad cross section of manufacturing, agricultural, and energy industries. Their members are essential to a healthy U.S. economy with operations and employees throughout the country – collectively they provide more than 7 million jobs and produce more than \$4.8 trillion in economic output.

RCC members are major transportation stakeholders - accounting for more than half of the total volume of cargo shipped by rail and generate more than three quarters of the revenues collected by the railroads. Because a dependable, affordable rail network is so important to their operations, members of the Coalition support practical regulatory reforms that would allow greater access to competitive freight rail service and that would make the Surface Transportation Board more effective in addressing freight rail issues.

Groups Participating in the Coalition Include:

Agricultural Retailers Association	Michigan Chemistry Council
Alliance of Automobile Manufacturers	Motorcycle Industry Council
Alliance for Rail Competition	National Association of Chemical Distributors
American Farm Bureau Federation	National Barley Growers Association
American Chemistry Council	National Cotton Council
American Fuel & Petrochemical Manufacturers	National Farmers Union
American Forest & Paper Association	National Industrial Sand Association
American Malting Barley Association, Inc.	National Industrial Transportation League
American Petroleum Institute	National Mining Association
American Public Power Association	National Pork Producers Council
Associated Industries of Massachusetts	National Rural Electric Cooperative Association
Chemistry Council of Missouri	National Sorghum Producers
Chemistry Council of New Jersey	Nebraska Wheat Board
Chemical Industry Council of California	New York State Chemistry Council
Chemical Industry Council of Delaware	Ohio Chemistry Technology Council
Chemical Industry Council of Illinois	Ohio Manufactures' Association
The Chlorine Institute	Pennsylvania Chemical Industry Council
Defoamer Industry Trade Association	Plastic Pipe and Fittings Association
Edison Electric Institute	Portland Cement Association
The Fertilizer Institute	Private Railcar Food and Beverage Association
Freight Rail Customer Alliance	PVC Pipe Association
Foundry Association of Michigan	Resilient Floor Covering Institute
Georgia Chemistry Council	Society of Chemical Manufacturers and Affiliates
Glass Packaging Institute	Southeastern Lumber Manufacturers Association
Global Automakers	South Carolina Manufacturers Association
Grocery Manufacturers Association	SPI: The Plastics Industry Trade Association
Growth Energy	Steel Manufacturers Association
Idaho Grain Producers Association	The Sulphur Institute
Independent Lubricant Manufacturers Association	Tennessee Chamber of Commerce & Industry
Industrial Minerals Association — North America	Texas Chemical Council
Institute of Scrap Recycling Industries, Inc.	United States Fashion Industry Association
International Warehouse Logistics Association	Vinyl Building Council
Louisiana Chemical Association	The Vinyl Institute
Manufacture Alabama Chemistry Advisory Council	Vinyl Siding Institute
Manufacturers Association of Florida	West Virginia Manufacturers Association
Massachusetts Chemistry Technology Alliance	Wyoming Wheat Marketing Commission

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