

June 18, 2019

The Honorable Ann D. Begeman  
Chairman  
Surface Transportation Board  
395 E Street Southwest  
Washington, DC 20423

The Honorable Patrick J. Fuchs  
Vice Chairman  
Surface Transportation Board  
395 E Street Southwest  
Washington, DC 20423

The Honorable Martin J. Oberman  
Member  
Surface Transportation Board  
395 E Street Southwest  
Washington, DC 20423

Dear Chairman Begeman, Vice Chairman Fuchs, and Commissioner Oberman,

As leaders of American manufacturing, agriculture, and energy industries, as well as some of the nation's largest freight rail customers, we are writing to commend the Surface Transportation Board's (STB) Rate Reform Task Force for taking bold action in outlining serious reforms to how the STB reviews excessive freight rail rates. This is an important step towards establishing simpler and fairer Board procedures.

The Task Force's thoughtful and thorough report makes clear that the STB's decades-old rate review procedures are simply unworkable for most rail customers. Importantly, the report also highlights the dramatic shift that has taken place over the past couple decades in the financial health as well as market dominance of the railroad industry. To account for these changes, the report recommends comprehensive reforms to the rate review process that better equip shippers and the Board to address excessive rates.

We thank the Task Force for allowing interested parties the opportunity to share views on the shortcomings of the current Stand Alone Cost methodology and provide suggestions and insight into how to improve the rate review process through comprehensive reforms. This open and collaborative process undoubtedly contributed to a stronger, more robust final report.

We understand and greatly appreciate that rate reform is one of the Board's top priorities. Your success in achieving thorough and comprehensive rate reform is critical to the future of affordable freight rail service to millions of our customers.

To that end, we encourage the Board to move forward with rulemaking to improve the current rate review processes. As members of the Rail Customer Coalition, which represents industries that generate trillions of dollars in economic activity and collectively provide more than 7 million direct jobs, we stand ready to work with the Board to help adopt these vital reforms.

Thank you for your continued leadership in this and other areas and we look forward to working with all Board members to ensure fair and reasonable rates for stakeholders.

Sincerely,

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  
American Petroleum Institute  
Corn Refiners Association  
Cotton Warehouse Association of America  
Cottonseed and Feed Association  
Glass Packaging Institute  
Independent Lubricant Manufacturer's Association  
Industrial Minerals Association – North America  
Institute of Scrap Recycling Industries  
Louisiana Chemical Association  
National Association of Chemical Distributors  
National Cotton Council  
National Cotton Ginner's Association  
National Cottonseed Products Association  
National Farmers Union  
National Industrial Transportation League  
National Mining Association  
National Pork Producers Council  
National Stone, Sand & Gravel Association  
North Dakota Farmers Unions  
Olin Corporation  
Portland Cement Association  
Private Railcar Food and Beverage Association  
Resilient Floor Covering Institute  
South Dakota Farmers Union  
Steel Manufacturers Association  
The Chemours Company  
The Chlorine Institute  
The Fertilizer Institute  
Vinyl Institute