



December 11, 2020

Dear Mr. Cameron:

The Rail Customer Coalition (RCC) represents some of the nation's largest customers of freight rail service both by volume and revenue. We look forward to working with you and your team as you consider personnel decisions and priorities before freight rail-related agencies.

As you know, President-Elect Biden will need to appoint a new Chair and to nominate a new member to the Surface Transportation Board (STB). The STB plays a critical role in resolving freight rail issues. Effective leadership at the Board and sound policies are especially vital to the members of our coalition. The members who serve and lead the Board must be committed to promoting a more competitive and reliable freight rail industry and to balancing the needs of railroads, shippers, and the nation as a whole.

We urge President-Elect Biden to move quickly to fill the critical roles of both a Chairman and new member at the STB. The RCC asks that current STB Vice Chairman Martin Oberman be designated as Chairman upon the start of the Biden Administration. His designation would help ensure the Board's efforts to improve how it addresses freight rail issues continues to move forward.

We also ask that the upcoming Board vacancy be filled with an individual who shares the commitment in moving the Board forward, as demonstrated by Vice Chairman Oberman and Member Patrick Fuchs. The nominee needs to be fair-minded, objective and innovative in addressing freight rail issues. With such strong leadership, and a full complement of Board Members committed to fulfilling the entire mission of the Staggers Rail Act, the STB can establish a more balanced and modern regulatory system that helps ensure that rail remains a vital mode of transportation well into the future.

STB policies directly impact American farmers, manufacturers and energy producers, and consumers who depend on railroads to reach domestic and international markets and to receive all manner of vital goods. To help build back the American economy, the STB must adopt policies that promote a strong, safe, and competitive rail network, while ensuring rail customers have access to reasonable rates and reliable service.

Our nation's freight rail system has reached a critical juncture that has major ramifications for the future of transportation in the United States. Due to massive consolidation of the rail industry, the four largest railroads currently control more than 90% of all freight rail traffic in the U.S. and operate as regional monopolies and duopolies.

As a result, the overall cost to ship goods by rail has jumped dramatically over the past two decades while volume of rail traffic stopped expanding. In addition, most major U.S. railroads have adopted Precision Scheduled Railroading (PSR) in an effort to improve margins and boost profits. While the financial health of the railroads is important, the adoption of PSR has come at a great cost to those who rely on the railroads. It has led to thousands of job cuts, reduced service, and lower investment in the rail network.

The Staggers Rail Act, passed 40 years ago and widely recognized as a regulatory success story, still holds the solution to addressing today's freight rail problems. The law calls for the STB to promote rail competition "to the maximum extent possible" and to "to maintain reasonable rates where there is an absence of effective competition."

Unfortunately, overly burdensome STB rules adopted in the wake of the Staggers Rail Act actually block shippers from accessing competitive rail service, and have proven unworkable for shippers that lack competitive transportation options to challenge unreasonable rail rates. It is time for commonsense reforms to effectively address these challenges and fully realize the Staggers Rail Act's vision of a competitive rail industry.

Designating Vice Chairman Oberman as Chairman early in the Biden Administration, and moving quickly on filling the upcoming STB vacant Board seat are key steps in helping to realize necessary commonsense reforms to the benefit of our nation's freight rail system and the communities it serves.

We welcome further discussion with you on these issues, and look forward to working with your administration on policies that support a dependable rail network and growth across the entire U.S. economy.

Sincerely,

The Rail Customer Coalition

Rail Customer Coalition

The Rail Customer Coalition (RCC) is a large collection of trade associations representing a broad cross section of manufacturing, agricultural, logistics 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	Motorcycle Industry Council
Agriculture Transportation Coalition	National Association of Chemical Distributors
Alliance for Automotive Innovation	National Barley Growers Association
Alliance for Rail Competition	National Cotton Council
American Bakers Association	National Farmers Union
American Farm Bureau Federation	National Grange
American Chemistry Council	National Industrial Sand Association
American Fuel & Petrochemical Manufacturers	National Industrial Transportation League
American Forest & Paper Association	National Mining Association
American Malting Barley Association, Inc.	National Pork Producers Council
American Petroleum Institute	National Rural Electric Cooperative Association
American Public Power Association	National Sorghum Producers
Associated Industries of Massachusetts	Nebraska Wheat Board
Chemistry Council of Missouri	New York State Chemistry Council
Chemistry Council of New Jersey	North Carolina Manufacturers Alliance
Chemical Industry Council of California	Ohio Chemistry Technology Council
Chemical Industry Council of Delaware	Ohio Manufactures' Association
Chemical Industry Council of Illinois	Pennsylvania Chemical Industry Council
Consumer Brands Association	Plastic Pipe and Fittings Association
Corn Refiners Association	Plastics Industry Association
The Chlorine Institute	Portland Cement Association
Defoamer Industry Trade Association	Private Railcar Food and Beverage Association
Edison Electric Institute	PVC Pipe Association
The Fertilizer Institute	Renewable Fuels Association
Freight Rail Customer Alliance	Resilient Floor Covering Institute
Foundry Association of Michigan	Society of Chemical Manufacturers and Affiliates
Georgia Chemistry Council	Southeastern Lumber Manufacturers Association
Glass Packaging Institute	South Carolina Manufacturers 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
Michigan Chemistry Council	

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