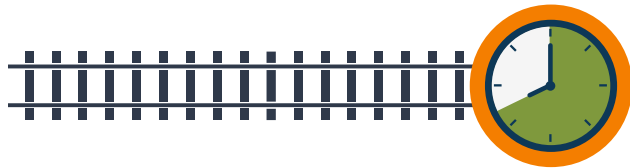


# RAIL SERVICE FAILURES: A GROWING SUPPLY CHAIN CRISIS

RAIL CUSTOMER COALITION

Freight railroads are failing to deliver for American farmers, manufacturers, energy producers ... and consumers. The U.S. economy is being plagued by chronic and widespread rail service problems — from delays to embargos — that are preventing critical materials and finished goods from getting where they need to go.



On average, **less than 68%** of rail cars arrive on time.

Based on RR service data reported to STB in May 2022

Service failures are contributing to **higher prices** and **supply chain disruptions** for food, fuel, and countless other products.

## Undercutting Network Resilience

By implementing Precision Scheduled Railroading (PSR), major railroads abandoned a customer-centric, pro-growth model in favor of lower operating ratios and short-term profits.



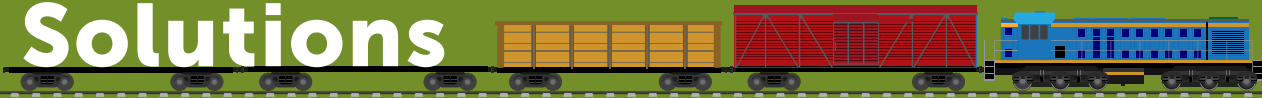
Class I freight railroads cut **45,000 jobs** from 2016 to 2021 – nearly **30%** of their combined workforce.

Railroads also took thousands of locomotives out of service, closed rail yards, and reduced service to customers. These cuts gutted network resilience, making service disruptions **more frequent, severe,** and **long-lasting.**

*The railroads' long-standing practices of reducing operating ratios by cutting employment levels, mothballing locomotives, and eliminating other essential resources are the central reasons why farmers have been hours away from depopulating herds, manufacturing facilities have reduced operating hours, and shippers cannot get their products to market on time or receive essential raw materials for their companies. These failures are **harming the nation's economy** and, in my view, are **contributing to the inflationary forces affecting food and fuel** in particular.*

**Martin J. Oberman, Chairman of the Surface Transportation Board**

# Solutions



The Surface Transportation Board (STB) is the sole federal agency charged with resolving commercial freight rail issues, including service, competition, and rates. The Board is working to update policies to better address today's freight rail challenges.

Businesses and labor, Democrats and Republicans are all calling on the STB to act.

*You can't reduce workforce and reduce equipment by the levels they have and expect to be able to maintain the level of service and meet the demand of our economy. So this is really just chickens coming home to roost.*

**Greg Regan, President of AFL-CIO Transportation Trades Department**

*What once were affordable and dependable links in the critical supply chains, freight railroads are now expensive and unreliable clogs derailing any hope of a break for family budgets.*

**Jeff Landry, Louisiana Attorney General**

The Rail Customer Coalition **strongly supports** the following specific reforms to promote competition and improve service:



## Improved Data

Require railroads to report meaningful data on "first mile/last mile service" to improve performance tracking



## Service Standards

Clarify service obligations and hold railroads accountable to those standards



## Competitive Access

Prevent future service issues by promoting greater rail-to-rail competition by finalizing long-overdue rules for reciprocal switching