

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