

## **Reliable Rail Service Act**

*Senators Tammy Baldwin (D-WI) and Roger Marshall (R-KS)*

The Staggers Act of 1980 enacted major reforms in response to the railroad industry facing dire financial circumstances that threatened the long-term viability of freight rail transportation in the United States. While this law allowed railroads to have control of their operations and business decisions, it also required the rail carriers to serve the wider shipping public “on reasonable request,” a principle known as the common carrier obligation.

Unfortunately, over forty years later, the common carrier obligation lacks a clear definition. Indeed, a report from the Transportation Research Board found that “the common carrier service obligation remains poorly defined.” The need to more clearly define this ambiguous principle has taken on greater importance due to today’s market conditions, as well as increased railroad consolidation and railroad operating decisions, which have resulted in reduced capacity on our nation’s freight rail network.

Rail shippers are facing worsening service, significant service disruptions, and sky-high prices, all while profits for the nation’s largest railroads are at record highs. In short, railroad customers, including farmers, energy producers, and manufacturers, are left with unreliable and reduced service options at higher prices. This reality was made clear during an emergency Surface Transportation Board (STB or Board) hearing in April 2022. Dozens of rail shipper and labor groups laid out in stark terms the unacceptable level of rail service impacting communities and consumers throughout the country. They also noted the insufficient actions taken by many of the Class 1 freight railroads to improve service. Indeed, the STB found service improvement plans required by many of the Class 1 railroads following this hearing to be “woefully deficient.”

Commonsense reform is needed to balance our nation’s freight rail transportation policy and ensure railroads provide reliable service at reasonable rates as originally intended in the Staggers Act. The Reliable Rail Service Act would accomplish this by:

- 1) Statutorily clarifying the common carrier obligation definition and
- 2) Establishing specific criteria for the STB to consider when determining whether a rail carrier has violated its obligation

Criteria the Board would be required to consider in its assessment under the legislation include:

- Impacts of reductions or changes in the frequency of transportation or service;
- Availability and maintenance of reasonable local service schedules and delivery windows;
- Impacts of reductions in employment levels;
- Impacts of reductions in equipment; and
- Whether the service reasonably meets the local operational and service requirements of the requestor

The Reliable Rail Service Act gives the Board necessary statutory clarity along with significant discretion and flexibility to account for variations unique to local rail carrier and shipper circumstances, which will provide transparency for all stakeholders while improving STB’s oversight to help address our nation’s freight railroad supply chain challenges and lower costs for consumers.

## **Supporting Organizations:**

Agricultural Retailers Association, American Chemistry Council, American Farm Bureau Federation, American Forest & Paper Association, American Pulse Association, American Soybean Association, Consumer Brands Association, Corn Refiners Association, Essential Minerals Association, Freight Rail Customer Alliance, Glass Packaging Institute, Great Lakes Timber Professionals Association, Growth Energy, Institute of Scrap Recycling Industries, Inc. (ISRI), International Dairy Foods Association, International Warehouse Logistics Association, National Association of Chemical Distributors, National Association of Wheat Growers, National Corn Growers Association, National Farmers Union, National Grain and Feed Association, National Industrial Transportation League, National Milk Producers Federation, National Mining Association, National Rural Electric Cooperative Association, National Stone, Sand & Gravel Association, North American Millers' Association, Portland Cement Association, Private Rail Car Food and Beverage Association, The Fertilizer Institute, The National Grange, USA Dry Pea and Lentil Council, U.S. Pea and Lentil Trade Association, USA Rice, Western Coal Traffic League

American Train Dispatchers Association (ATDA), Brotherhood Of Locomotive Engineers and Trainmen (BLET), Brotherhood of Maintenance of Way Employees Division (BMWED)-IBT, Brotherhood of Railway Carmen (BRC), Brotherhood of Railroad Signalmen (BRS), International Association of Machinists and Aerospace Workers (IAM), International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers (IBB), International Brotherhood of Electrical Workers (IBEW), International Brotherhood of Teamsters, National Conference of Firemen and Oilers, SEIU (NCFO), Sheet Metal, Air, Rail and Transportation Workers-Mechanical Division (SMART-MD), Sheet Metal, Air, Rail and Transportation Workers-Transportation Division (SMART-TD), Transportation Communications Union (TCU), Transport Workers Union of America (TWU), Transportation Trades Department (TTD)