



Southwest Association of Rail Shippers
Phoenix, Arizona
October 6, 2022

Karen Hedlund
Board Member

Surface Transportation Board



Hearings before the STB in 2022

- CSX acquisition of PanAm Railways – Jan 13-14
- Reciprocal Switching (EP 711 Sub-No.1) - March 15
- Amtrak Gulf Coast Access – Feb 15-16 Apr 4-6, 18-19, May 9,11
- Urgent Issues in Freight Rail (EP 770) – April 26
- CP/KCS Merger (FD 36500) – September 28-30

Urgent Issues in Freight Rail Service Hearing

April 26, 2022

- **ISRI:** “Empty car deliveries for loading during the past 90 days were, on an average, only 65- 75% of what was actually needed, and some members even reported receiving only 10 or 30% of their demand.”
- **National Grain and Feed Association:** “ There are instances of origin grain elevators needing to turn away grain sales from farmers because they are full. Some NGFA member companies have put grain on the ground to keep taking deliveries from producers.”
- **Fertilizer Institute:** Poor cycle times and service has negatively affected the ability of TFI’s members to ship fertilizer and pre-position this essential product for the busy Spring planting season. The timeliness and reliability of fertilizer shipments is crucial during the Spring season because farmers need to apply it in a very narrow 3-to-5-week window. If farmers do not receive fertilizer, it results in lower crop yields, higher food prices, and more inflation.

Core of the Problem – Hiring Problems

- PSR – (pre-COVID) Class 1s reduced labor force by 30%
- COVID – Up to an additional 20% furloughed
- “The Great Resignation” – workers don’t return
- Current hiring difficulties – new hires barely keep up with attrition



May 6 and June 13 – STB Requires Service Recovery Plans

- **BNSF, CSX, NS, and UP** are required to submit service recovery plans, progress reports, historical data, and participate in bi-weekly conference calls with Board staff.
- Measures are meant to inform the Board's assessment of *further actions* that may be warranted to address the acute service issues facing the rail industry and *to promote industry-wide transparency, accountability, and improvements in rail service.*

Progress?

Other rulemakings:

- Service Emergency Rule (EP 762)
- Reciprocal Switching (EP 711 Sub-No.1)
- Small Dispute Arbitration (EP 765)
- Final Offer Rate Review (EP 755)
- Foster Farms Petition for Emergency Order (FD 36609)

