



Surface Transportation Board
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The Honorable Jim Costa
2081 Rayburn House Office Bldg.
Washington, DC 20515

Dear Representative Costa:

Thank you for your recent letter regarding the critical freight rail service problems experienced by California's livestock operations. As you know, I share your concerns about the risk that disrupted rail service poses to food security and animal health and welfare.

Since March, the Board's Office of Public Assistance, Governmental Affairs, and Compliance (OPAGAC) has undertaken many efforts to get trains to California customers. And on June 15, 2022, Foster Poultry Farms (Foster Farms), a chicken grower and processor, filed a petition for an emergency service order with the Board under 49 U.S.C. § 11123 in Foster Poultry Farms—Ex Parte Petition for Emergency Service Order, FD 36609. The petition requested that the Board immediately direct Union Pacific Railroad Company (UP) to give preference and priority to the movement of unit trains of corn tendered to UP by or on behalf of Foster Farms from origins in the midwestern United States to Foster Farms' facilities in Traver and Turlock, California. On June 17, 2022, the Board directed UP to deliver certain trains of corn to these facilities while at the same time reminding Union Pacific of its common carrier obligations to its customers throughout its network. The Board is hopeful that the order will alleviate harm to Foster Farms and the poultry, dairy, and feed yard livestock that depend on the distribution of corn meal supplied by Foster Farms.

Furthermore, as you know, on April 22, 2022, the Board issued a proposed rule to improve its process to provide relief in times of emergency and to ease the burden on rail users seeking such relief. The comment period for that proceeding closed on June 6, 2022, and I expect the Board will take further action on the proposed rule in short order. The Board also held a public hearing addressing rail service problems on April 26 and 27, 2022 in Urgent Issues in Freight Rail Service, Docket No. EP 770. During the hearing, the Board heard extensive testimony on severe rail service issues reported by a wide range of witnesses including agricultural, energy, and other shippers, as well as government officials, rail labor, and rail experts.

On May 6, 2022, the Board issued a decision requiring all Class I railroads to submit specific information on rail service, performance, and employment. In addition, the Board required BNSF, CSX, NS, and UP to submit service recovery plans, progress reports, historical data, and participate in biweekly conference calls with Board staff. These 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.

Unfortunately, the service recovery plans submitted by the railroads were woefully inadequate and lacked the level of detail expected of highly sophisticated companies with important public responsibilities. As a result, on June 13, 2022, the Board ordered BNSF, CSX, NS, and UP to submit corrected service recovery plans with specific instructions to provide additional information on their actions to improve service and communications with their customers, as well as additional detailed information to demonstrate their monthly progress in increasing the size of their work forces to levels needed to provide reliable rail service.

The Board will continue to closely monitor UP's rail service and the progress made by the railroads, and is prepared to take further action, as necessary. A copy of your letter and this response has been placed in the public docket in EP 770 and FD 36609. If you or your staff have any questions, please contact Ms. Janie Sheng, Acting Director of OPAGAC, at 202-245-0238.

Sincerely,

A handwritten signature in dark ink, reading "Martin J. Oberman". The signature is written in a cursive, flowing style.

Martin J. Oberman
Chairman