

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

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Docket No. EP 711 (Sub-No. 2)

RECIPROCAL SWITCHING FOR INADEQUATE SERVICE

**PRIVATE RAILCAR FOOD AND BEVERAGE ASSOCIATION REPLY TO MOTION
OF ASSOCIATION OF AMERICAN RAILROADS TO EXTEND THE COMMENT
PERIOD**

Private Railcar Food and Beverage Association (“PRFBA”) respectfully replies in opposition to the Motion of the Association of American Railroads (“AAR”) filed in this proceeding on September 25, 2023 for an extension of the comment period provided in the Board’s Notice of Proposed Rulemaking (“Notice”) issued on September 7, 2023 in Docket No. EP 711 (Sub-No. 2), *Reciprocal Switching for Inadequate Service*. Specifically, AAR requests a 90-day extension, until January 22, 2024, for submitting opening comments. Under that schedule, reply comments would be due on February 20, 2024. PRFBA opposes AAR’s motion and supports the Board’s comment period in the Notice as stated.

First, PRFBA strongly commends the Board for issuing this Notice and the corresponding reasonable schedule for comments. PRFBA and its members will continue their active participation in this critically important matter that will help with the ongoing rail service problems in our nation.

In April 2022, there was widespread concern about rail service and deteriorating trends reflected in the service data collected by the Board. As a result, the Board held a two-day hearing to explore issues related to the reliability of the national rail network, in which PRFBA participated. *Urgent Issues in Freight Rail Serv.*, EP 770, slip op. at 1 (STB served Apr. 7, 2022). The Board stated that it had been hearing from a broad range of stakeholders about inconsistent and unreliable rail service related to tight car supply and unfilled car orders, delays in transportation for carload and bulk traffic, increased origin dwell time for released unit trains, missed switches, and ineffective customer assistance. *Id.* at 2.

In Docket No. EP 770 (Sub-No. 1), the Board then required additional, temporary reporting of data needed for a timelier understanding of the extent and location of acute service issues and labor and equipment shortages. *Urgent Issues in Freight Rail Serv.—R.R. Reporting*, EP 770 (Sub-No. 1) (STB served May 6, 2022); *Urgent Issues in Freight Rail Serv.—R.R. Reporting*, EP 770 (Sub-No. 1) (STB served May 2, 2023) (extending the temporary reporting period for all Class I rail carriers to December 31, 2023).

Given the major rail service problems subsequent to the 2016 Notice of Proposed Rulemaking in *Reciprocal Switching*, EP 711 (Sub-No. 1), and the history of recurring service problems that continue to plague the industry, the Board has concluded that it is appropriate, at this time, to focus reciprocal switching reform on addressing inadequate service. Through this approach that is proposed in this proceeding, the Board intends to provide appropriate regulatory incentives to Class I carriers to achieve and to maintain higher service levels on an ongoing basis. The Board's experience in recent service oversight proceedings reaffirms that carriers' failure to provide reliable, timely, and efficient delivery of rail shipments can result in serious consequences for the transportation network and beyond.

In the year following the *Urgent Issues* hearings in 2022, the Board has continued to closely monitor rail service performance data submitted in that docket and pursuant to 49 C.F.R. part 1250. That data showed that, for certain metrics, railroads did not meet the performance targets that the railroads themselves set for improving service. Overall, the data for key performance indicators—such as velocity, terminal dwell, FMLM service (i.e., industry spot and pull), operating inventory, and trip plan compliance—showed that railroad operations remained generally challenged through much of the last two years, with associated impacts on shippers and the public. Poor performance by rail carriers can substantially impair shippers’ ability to operate their businesses on an economic basis. That impairment in turn harms the United States’ economy as a whole.

As a result of these continuing rail service problems, PRFBA fully supports the comment period as set forth by the Board in its Notice and opposes any further extension as proposed by AAR. This Board comment period provides ample time for stakeholders to analyze the proposal while also considering the urgent need for such a remedy due to the rail service crisis in our country. Again, PRFBA commends the Board for the proposed rule and its attempts to bring some help to shippers who have suffered from the inadequate rail service.

Respectfully submitted,

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