



308085

American
Fuel & Petrochemical
Manufacturers

ENTERED
Office of Proceedings
March 14, 2024
Part of
Public Record

1800 M Street, NW
Suite 900, North
Washington, DC
20036

202.457.0480 office
202.457.0486 fax
afpm.org

March 13, 2024

Chairman Martin J. Oberman
Surface Transportation Board
395 E St SW
Washington, D.C. 20423

Chairman Oberman and Members of the Surface Transportation Board,

The American Fuel & Petrochemical Manufacturers (AFPM) writes in support of the Freight Rail Customer Alliance (“FRCA”) and National Coal Transportation Association (“NCTA”) joint petition to reconsider the January 31, 2024, *Urgent Issues in Freight Rail Service – Railroad Reporting* (Ex Parte No. 770 (Sub-No.1))¹ decision with respect to the discontinuation of the requirement for carriers to report service performance data to the Surface Transportation Board (“Board” or “STB”). Consistent with FRCA and NCTA, we request that the Board extend and make permanent the requirement that the Four Carriers (BNSF, CSX, NS, and UP) report service performance data.

AFPM is a trade association representing the United States refining, petrochemical and midstream energy infrastructure industries. AFPM members make the fuels and petrochemicals that make modern life possible and keep America moving. To produce these essential goods and bring them to market, AFPM members depend on safe and efficient rail transportation to move their feedstocks and products to and from refineries and petrochemical facilities.

Unfortunately, the widespread adoption of Precision Scheduled Railroading (PSR) in the freight rail industry has proven problematic and negatively impacted rail shippers. PSR was intended to boost operational efficiency for railroads, but the pursuit of “optimal operating ratios” – often involving trimming workforce – has come at great expense to shipping customers and, ultimately, consumers.

AFPM commends the Board for extending the obligation of Class 1 railroads to submit data regarding their level of employment. The railroads cannot provide adequate service without an adequate workforce. Though levels of employment have never recovered from pre-pandemic levels and the workforce levels of the Four Class I Carriers have been flat for the past six months. With the railroads expecting an increase in traffic resulting from forecasted

¹ Surface Transport Board, *Urgent Issues in Freight Rail Service—Railroad Reporting*, Docket No. EP 770 (Sub-No. 1), January 31, 2024.

improvements in economic conditions, it is concerning that the Board will not continue the required reporting performance data.

Accumulating performance data over a longer period will give the Board a more accurate picture of the effectiveness of freight rail service. Employment data is important to show the approximate capacity of the freight rail industry, and paired with other data can provide insight into the effectiveness and efficiency of the industry. Continued reporting of employment levels alone will not inform the Board of the performance levels. The Board notes that the Four Carriers' performance targets were not intended to reflect long-term service goals and yet decided that a year of meeting their chosen performance targets was enough to project long-term service improvement.

In their notice the Board notes that service performance levels have improved since it initiated the required reporting, but one year of demonstrated improvement is not enough to determine that the Four Carriers will continue to hit those targets, especially considering expected increased traffic and recent news of additional furloughs. AFPM maintains that more data will allow the Board, shippers, and the public to identify problems in the freight rail network and effectively address them.

AFPM strongly supports FRCA and NCTA's joint petition. We encourage the Board to reverse course and continue to require performance data from the Four Carriers to ensure reliable and efficient freight rail transport to both shippers and the American people.

Thank you for your consideration on these matters. Please contact us if you have any questions or would like to discuss this issue.

Sincerely,



Rob Benedict,
Vice President, Petrochemicals & Midstream
Regulatory Affairs