

BEFORE THE SURFACE TRANSPORTATION BOARD

STB Docket No. EP 770 (Sub-No. 1)

Urgent Issues in Freight Rail Service—Railroad Reporting

Reply of the American Chemistry Council
to the Petition for Reconsideration

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The American Chemistry Council (ACC)¹ submits this reply in support of the Petition for Reconsideration that the Freight Rail Customer Alliance and National Coal Transportation Association jointly filed in this proceeding on February 20, 2024.

The Surface Transportation Board's decision to discontinue the service-data reporting in this proceeding deeply concerns ACC. This reporting has proven valuable to the Board and rail customers. It has informed Board activity to address the recent service crisis and avert future crises. It also has provided rail customers with essential information to identify and implement commercial measures to mitigate the recent service crisis where possible. Further, continued monitoring of rail-service performance is necessary because current rail-service levels appear to reflect a drop in traffic volume rather than improvements in rail-network resiliency. ACC thus urges the Board to reinstate the reporting and consider opening a new proceeding on its own initiative to make the reporting permanent.

The service-data reporting in this proceeding is critical for identifying and addressing rail-service issues that threaten shippers and the broader economy.² It includes data that each of the four largest Class I railroads has self-selected as key

¹ ACC represents the leading companies in the business of chemistry. ACC members apply the science of chemistry to provide innovative products and services that make people's lives better, healthier, and safer. As a \$565 billion enterprise, the business of chemistry is a key element in the nation's economy, one of the largest exporting sectors, and one of the largest customers of the U.S. freight rail system.

² The Board has recognized that "[r]ail network reliability is essential to the Nation's economy." *Urgent Issues in Freight Rail Service*, EP 770 (Sub-No. 1), slip op. at 1 (STB served May 6, 2022).

indicators of its network-wide service performance. It also includes several other data about key aspects of rail service, including first-mile/last-mile performance, network fluidity, and service reliability.³ These data thus provide the Board with essential information to inform its oversight of the rail industry.⁴ These data also provide shippers with vital information for spotting service problems and mitigating them.

In fact, the Board relied heavily on the reported data to develop its proposed reciprocal-switching rule, which is poised to play an important role in encouraging adequate rail service.⁵ Additionally, ACC's members have used the reported data to understand the fluidity of the rail network, determine appropriate inventory levels and shipment patterns to prevent supply disruptions, make railcar fleet decisions, and otherwise make decisions that are critical to protecting their supply chains.

Although some data may indicate that railroad service has improved since the Board initiated this proceeding, the service-data reporting is still necessary. First, this reporting is especially important *before* a service crisis develops. This allows the Board and shippers to spot and address a service crisis early, giving

³ The reporting included seven types of information, many of which closely reflected the reporting that ACC proposed in Docket EP 767, *First-Mile / Last-Mile Service*. ACC Comments, Dec. 17, 2021, *First-Mile / Last-Mile Service*, EP 767. ACC's comments in EP 767 further explain that this reporting is important to rail customers.

⁴ The Board has explained that aspects of this reporting are "particularly helpful to understanding conditions on the rail network." *Reciprocal Switching for Inadequate Service*, EP 711 (Sub-No. 2), slip op. at 31 (STB served Sept. 7, 2023).

⁵ *E.g.*, *id.* at 15, 20.

them the best opportunity to mitigate or avert it. Second, evidence suggests that rail service has improved because traffic volumes have dropped, not because carriers have adequately addressed the root causes of the recent service crisis. Rail service thus may decline rapidly as traffic levels increase. Third, a broad set of data from periods of good and poor service is imperative for assessing the state of rail service and determining the extent to which regulatory intervention is necessary. Reporting to date merely shows bad service and some improvement. But it does not provide enough context to fully evaluate how poor service became during the recent service crisis or whether service has returned to normal levels.

For these reasons, the ACC urges the Board to grant the petition of FRCA and NCTA and reconsider its recent decision⁶ to terminate the service-data reporting in this proceeding.

Respectfully submitted,

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⁶ *Urgent Issues in Freight Rail Service*, EP 770 (Sub-No. 1) (STB served Jan. 31, 2024).