

Reliable Rail Service Act

The Staggers Act of 1980 enacted major reforms in response to the railroad industry facing dire financial circumstances that threatened the long-term viability of freight rail transportation in the United States. While this law allowed railroads to have control of their operations and business decisions, it also required the rail carriers to serve the wider shipping public “on reasonable request,” a principle known as the common carrier obligation.

Unfortunately, over forty years later, the common carrier obligation lacks a clear definition. Indeed, a report from the Transportation Research Board found that “the common carrier service obligation remains poorly defined.” The need to more clearly define this ambiguous principle has taken on greater importance due to today’s market conditions, as well as increased railroad consolidation and railroad operating decisions, which have resulted in reduced capacity on our nation’s freight rail network.

Rail shippers are facing worsening service, significant service disruptions, and sky-high prices, all while profits for the nation’s largest railroads are at record highs. In short, railroad customers, including farmers, energy producers, and manufacturers, are left with unreliable and reduced service options at higher prices. This reality was made clear during an emergency Surface Transportation Board (STB or Board) hearing in April. Dozens of rail shipper and labor groups laid out in stark terms the unacceptable level of rail service impacting consumers throughout the country. They also noted the insufficient actions taken by many of the Class 1 freight railroads to improve service. Indeed, the STB found service improvement plans required by many of the Class 1 railroads following the April hearing to be “woefully deficient.”

Commonsense reform is needed to balance our nation’s freight rail transportation policy and ensure railroads provide reliable service at reasonable rates as originally intended in the Staggers Act. The Reliable Rail Service Act would accomplish this by:

- 1) Statutorily clarifying the common carrier obligation definition and
- 2) Establishing specific criteria for the STB to consider when determining whether a rail carrier has violated its obligation

Criteria the Board would be required to consider in its assessment under the legislation include:

- Impacts of reductions or changes in the frequency of transportation or service;
- Availability and maintenance of reasonable local service schedules and delivery windows;
- Impacts of reductions in employment levels;
- Impacts of reductions in equipment; and
- Whether the service reasonably meets the local operational and service requirements of the requestor

The Reliable Rail Service Act gives the Board necessary statutory clarity along with significant discretion and flexibility to account for variations unique to local rail carrier and shipper circumstances, which will provide transparency for all stakeholders while improving STB’s oversight to help address our nation’s freight railroad supply chain challenges and lower costs for consumers.

Supporting Organizations:

National Grain and Feed Association, American Farm Bureau Federation, American Soybean Association, National Milk, National Corn Growers Association, National Association of Wheat Growers, Growth Energy, Corn Refiners Association, International Dairy Foods Association, USA Rice, Freight Rail Customer Alliance, Western Coal Traffic League, National Stone, Sand & Gravel Association, The Fertilizer Institute, National Rural Electric Cooperative Association, American Chemistry Council, Consumer Brands Association, North American Millers’ Association, National Industrial Transportation League, American Pulse Association, USA Dry Pea and Lentil Council, U.S. Pea and Lentil Trade Association, National Grange, Private Rail Car Food and Beverage Association

American Train Dispatchers Association (ATDA), Brotherhood of Maintenance of Way Employees Division (BMWED)-IBT, Brotherhood of Railway Carmen (BRC), Brotherhood of Railroad Signalmen (BRS), International Association of Machinists and Aerospace Workers (IAM), International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers (IBB), International Brotherhood of Electrical Workers (IBEW), National Conference of Firemen and Oilers, SEIU (NCFO), Sheet Metal, Air, Rail and Transportation Workers-Mechanical Division (SMART-MD), Sheet Metal, Air, Rail and Transportation Workers-Transportation Division (SMART-TD), Transportation Communications Union (TCU), Transport Workers Union of America (TWU), Transportation Trades Department (TTD), AFL-CIO