

Distinguished STB Board Members and RETAC members,

The shippers on this committee appreciate the opportunity to meet with you to discuss current aspects of railroad service for utilities, biofuels producers, energy groups, and rail car owners. We wish for this statement to present the Board with the perspective of these shipper groups of the current issues we are experiencing with rail service.

Some market conditions have fluctuated in recent months, and this dynamic has contributed to railroad operations improving since early 2023. Transit times are moderately better than they were a year ago, but still remain below historical and pre-pandemic levels. While rail service has improved for many shippers, there are some that report they are still having significant issues with communications, lack of locomotive power, and crew availability. In addition, shippers are concerned that the improvement in rail service experienced recently may be temporary, and that this enhancement of service is primarily a result of lower demand for many commodities that move by rail. Shippers are also aware that labor shortages may continue to obstruct rail service when demand increases again. Shippers are skeptical, because of the experiences many have had over the past two years, that the carriers will not be able to meet higher freight demand in the future because of ongoing labor difficulties.

The issues that the shippers highlighted previously remain our concern. These are listed below for reference.

- The railroads continue to employ PSR to squeeze margins from shippers and reduce costs, rather than meet shipper needs and maintain the surge capacity needed to overcome disruptions in service. The railroads also continue to suffer from a labor shortage.
- Shippers remain exposed to demurrage and other charges when things go wrong on their end, or for things beyond their control, while the carriers remain effectively unaccountable for their ongoing service problems.
- Continued lack of communication to customers from railroads
- Service metrics that are being collected from the carriers should be enhanced.
- Service metrics will not provide a complete picture when they omit first/last mile data.
- Shippers remain unable to obtain adequate information from railroads. Automated and generic chat features are no substitute for being able to speak to a knowledgeable and experienced railroad rep.

In summary, the shippers of RETAC readily acknowledges the service improvements seen thus far in 2023 and recognize the ongoing efforts made by the Class I rail carriers to address additional shipper concerns discussed within this committee.

With these acknowledgements in mind, the shippers of RETAC respectfully request the Board continue to request railroad service metrics that enable the parties to engage in real data-driven discussions in these committee meetings. As we have stated before, we believe this committee should focus on the relationship between forecasts and deliveries, including how forecasts compare to volumes, the accuracy of the customer's forecast, railroad feedback sent back to the shipper, and railroad performance versus the forecast. And we look forward to the work done by the Board and this committee to address enhancement of the rail carrier and shipper forecasting communication effort.

Thank you for your engagement and concern of rail service and shipper issues.