Texas Rail Advocates
Hurst, Texas
April 3, 2023

Karen Hedlund
Vice Chair
Surface Transportation Board
“The statements of Ms. Hedlund do not represent the opinions of the Surface Transportation Board or any of its other Members.”
INTERSTATE COMMERCE COMMISSION
Founded 1867

SURFACE TRANSPORTATION BOARD
Established 1996
MAKING THE BIG FOUR

A series of mergers over the past 50 years has led to the creation of four freight rail behemoths that now control 90% of all business. Below, some of the notable deals along the way.

SOURCES: COMPANY WEBSITES; TRAINS MAGAZINE
NOT!

National Safety Transportation Board (NTSB)
Hearings before the STB in 2022

- Reciprocal Switching (EP 711 Sub-No.1) - March 15-16
- Amtrak Gulf Coast Access – Feb 15-16 Apr 4-6, 18-19, May 9,11
- Urgent Issues in Freight Rail (EP 770) – April 26-27
- CP/KCS Merger (FD 36500) – September 28-30
- Union Pacific Embargoes – December 13-14
Core of the Problem – Hiring Problems

- PSR – (pre-COVID) Class 1s reduced labor force by 30%
- COVID – Up to an additional 20% furloughed
- “The Great Resignation” – workers don’t return
- Current hiring difficulties – new hires barely keep up with attrition
<table>
<thead>
<tr>
<th>Railroad</th>
<th>Embargoes Issued Year to Date (End of December)</th>
<th>Embargoes Issued Previous Year (2021 Total)</th>
<th>Change in Current YTD Embargoes versus Prior Month</th>
<th>Currently Effective Embargoes (Total)</th>
<th>Currently Effective by Cause</th>
<th>Increase/Decrease in Effective Embargoes versus Prior Month</th>
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<tbody>
<tr>
<td>CN</td>
<td>43</td>
<td>52</td>
<td>+2</td>
<td>17</td>
<td>17 – Congestion</td>
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<td>Totals</td>
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<td>86</td>
<td>81 – Congestion</td>
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</table>
Rulemakings:

- Service Emergency Rule (EP 762)
  - Foster Farms Petition for Emergency Order (FD 36609)
- Reciprocal Switching (EP 711 Sub-No.1)
- Small Dispute Arbitration (EP 765)
- Final Offer Rate Review (EP 755)
CP and KCS Merger
Conditions and 7-Year Monitoring Period

- Gateways open on “commercially reasonable terms”
  Justification of rate increases on customer request
- Data collection – capacity and fluidity
- Comply with 10-minute blocked crossing rule
- Community outreach