

**STATEMENT OF PRINCIPLES AND PROPOSAL
REGARDING FREIGHT RAIL SERVICE ISSUES
AND THE COMMON CARRIER OBLIGATION**

Service provided by the major U.S. Class I freight railroads has severely deteriorated in recent years; this deterioration is a result of the railroads' adoption of new and drastic cost-cutting business models that reduce the public interest to a secondary consideration, at best; and that many shippers today can no longer access the levels of service that they require, and historically received. This deterioration has harmed both small and large businesses across the country, has been detrimental to the interests of railroad rank and file employees, has contributed to significant supply chain challenges, and has increased costs for American consumers.

As noted in recent public hearings before the U.S. Congress and the Surface Transportation Board (STB), there have been failures of the Class I's to comply with their critical statutory obligations to provide service to meet their customers' transportation requirements upon reasonable service terms, known as the railroads' "common carrier obligations." However, the lack of statutory specificity as to the definition and demands of "reasonable service" and cumbersome enforcement mechanisms have hindered the ability of shippers to obtain reasonable service terms and redress from inadequate service.

The undersigned groups agree on the following principles:

- 1) By existing statute, (a) rail customers (shippers) have a right to receive reasonable service terms on reasonable request to enable the efficient and reliable receipt, transportation, and delivery of property, and (b) railroads are obligated to provide service in compliance with such standards.
- 2) If the railroads do not meet these obligations, there needs to be an expeditious and effective enforcement process to obtain such reasonable terms and service through the authority of the STB, which is statutorily charged to provide economic oversight of the railroad industry and resolve rail service issues.
- 3) Congress must ensure that rail customers receive the quality and frequency of service that they require and are entitled to by law, and that railroads will provide such service by better defining and detailing the common carrier obligation, and by establishing an expedited mechanism for the STB to ensure compliance and resolve disputes in instances where those obligations are not being met.

The undersigned groups agree that an effective way to accomplish these public interest goals would be for Congress to enact legislation to better define and detail the railroads' common carrier obligations, and to mandate an expedited enforcement mechanism. An example of such legislation is the proposed attached amendment filed by Senator Baldwin at the recent Senate Commerce Committee markup of the Freight Act (Baldwin #3).

Thank you for your consideration of this most important matter.

Signed,

American Train Dispatchers Association

Brotherhood of Locomotive Engineers and
Trainmen-IBT

Brotherhood of Maintenance of Way Employes
Division-IBT

Brotherhood of Railroad Signalmen

International Association of Machinists and
Aerospace Workers

International Brotherhood of Boilermakers, Iron
Ship Builders, Blacksmiths, Forgers and Helpers

International Brotherhood of Electrical Workers

National Conference of Firemen and Oilers,
SEIU

Sheet Metal, Air, Rail and Transportation
Workers

Transportation Communications Union/ IAM

Transport Workers Union of America

UNITE HERE!

Transportation Trades Department, AFL-CIO

American Chemistry Council

Corn Refiners Association

Freight Rail Customer Alliance

National Grain and Feed Association

National Industrial Transportation
League

Private Railcar Food and Beverage
Association

Western Coal Traffic League