

**National Grain
and Feed Association**

Rail Issues

**Presentation to
NGFA Country Elevator Conference**

**Dec. 9, 2014
Indianapolis, Ind.**



Rail Service Disruptions

- **NGFA Principle: Not seeking ag preference; but ag shouldn't be disadvantaged either**
- **Urged STB to Require Reporting of Service Metrics by Class 1 RRs**
 - Enable shippers to better plan logistics
 - Increase transparency, accountability to shippers, STB, Congress
- **STB Responded – Required Weekly Service Reporting Starting Oct. 22**



Rail Service Disruptions

■ Service Metric Data Required by STB

- System average train speeds for grain, intermodal, coal, auto, crude oil, ethanol, manifest, other traffic
- Terminal dwell time reporting
 - ❖ Weekly average dwell times for carrier and 10 largest terminals
 - ❖ Weekly average for unit trains for grain, coal, auto, crude, ethanol, all other
- Weekly total number of trains held short of destination of scheduled interchange for longer than six hours, by commodity



Rail Service Disruptions

■ Service Metric Data Required by STB

- Weekly total number of loaded, empty cars that have not moved in more than 120 hours; between 48 and 120 hours; by commodity
- Weekly total number of grain cars loaded and billed, by state, aggregated by commodity
- Planned vs. actual performance of grain shuttles and dedicated grain train round trips, by region
- Average daily coal unit train loadings vs. planned loadings, by region



Senate Rail Bill (S. 2777)

1. Key Provisions:

- Authorize STB to initiate investigations of rail practices (except rates) on its own initiative, rather than only in response to filing of shipper complaints
- Require public reporting of status of STB proceedings, nature of complaints brought to agency
- Require STB to establish voluntary arbitration process for rates, unreasonable practices and complaints involving common-carrier obligations; results binding
 - ❖ Arbitration of rail rate disputes available only if RR has market dominance
 - ❖ Arbitration damages capped at \$2 million for rail service and unreasonable practice complaints; \$25 million for rate disputes



Senate Rail Bill (S. 2777)

Key Provisions:

2. Restructure STB

- Increase number of commissioners (to 5 from 3)
- Allow commissioners to communicate with one another without calling public meeting (requires at least 3 and general counsel be present)
- Require STB to create database of service complaints received, and how resolved; reports to Congress
- Quarterly reports to Congress on status of unfinished proceedings



Major STB Proceedings

1. Rail Service – Ongoing

2. Process for challenging unreasonable ag freight rates

- ❖ NGFA proposed new methodology to make filing ag rate cases less cumbersome, less costly, more timely
- ❖ 33 producer, commodity, agribusiness associations (including NGFA state/regional affiliates) submitted statements supporting NGFA proposal
- ❖ STB public hearing likely in first half of 2015

3. Rail Fuel Surcharges (*Safe Harbor*)

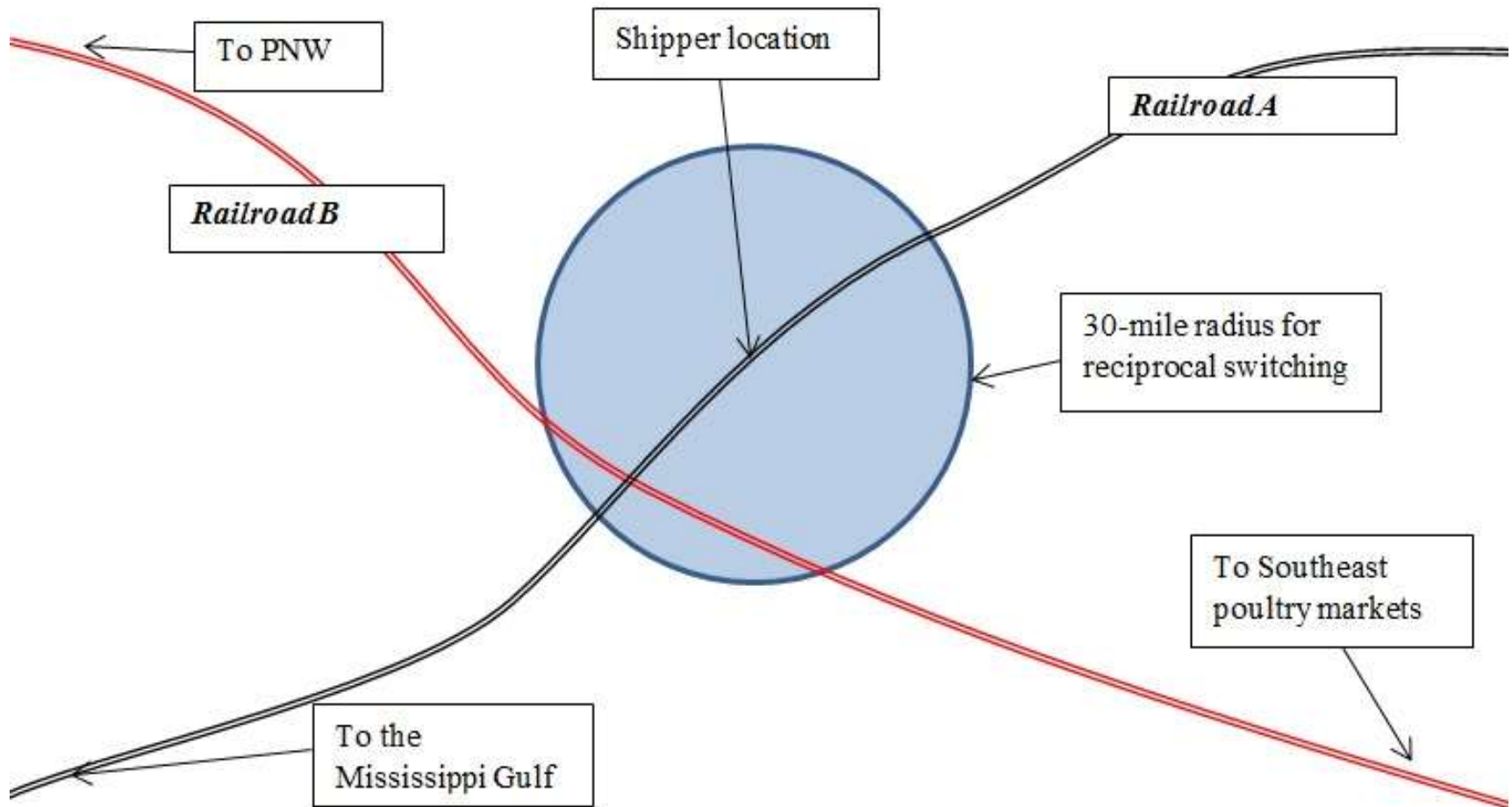
- ❖ Comments submitted on modifying, eliminating “safe-harbor provision”
- ❖ Possible public hearing

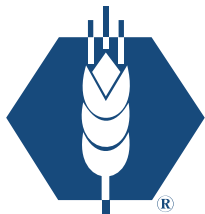
4. Competitive Switching

- ❖ NIT-League seeking simplified rules when switching generally would be required
- ❖ NGFA active participant; raising caution on mileage-based restriction
- ❖ Status: Waiting to see if STB issues proposed rule in response to comments



Competitive Switching NIT-League Proposal





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Questions?

Thank you!



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