

United States Senate

WASHINGTON, DC 20510

July 8, 2014

236298

The Honorable Daniel R. Elliott, III
Chairman
Surface Transportation Board
395 E Street SW, Suite 1220
Washington, DC 20423-0001

EP 724
ENTERED
Office of Proceedings
July 9, 2014
Part of
Public Record

Dear Chairman Elliott:

As Co-Chairs of the Senate Auto Caucus, we are writing to bring to the Surface Transportation Board's attention serious freight rail delays negatively impacting the auto industry. These concerns were brought to the Surface Transportation Board's attention in a letter from the Auto Alliance dated April 17, 2014. We wish to reiterate the issues raised in the Auto Alliance letter and urge the STB to closely monitor this situation and work with the railroads to resolve the delays.

We understand that winter weather often results in seasonal rail service delays and that this winter was particularly severe. However, additional factors have exacerbated rail service disruptions nationwide. These include a shortage of railcars and an inadequate response to ameliorate this shortage, the annual month-over-month growth in auto production and auto exports as the industry rebounds from recession, and the boom in crude oil shipped by rail that is absorbing significant rail capacity.

While rail service delays are being felt across industry sectors and across the country and need to be addressed, it is a particularly urgent matter for the automotive industry. According to an April 23 Wall Street Journal article, the industry faces a backlog of nearly 160,000 finished automobiles on the ground awaiting rail transport. This backlog costs automakers tens of millions of dollars in storage fees and alternative means of transporting vehicles and has resulted in vehicle shortages at some dealerships across the country. This situation has significantly impacted the ability of automakers to deliver products to consumers.

We should be doing everything we can to support the resurgence of American manufacturing which is fed in large part by the comeback of the U.S. auto industry. This includes making sure the rail infrastructure on which America's manufacturers rely is operating efficiently and effectively. We urge the Surface Transportation Board to closely monitor this situation and work with the railroads to find a timely solution to the rail service deficiencies currently plaguing the U.S. transportation system.

Thank you for your consideration.

Sincerely,



Rob Portman
Co-Chair, Senate Auto Caucus



Carl Levin
Co-Chair, Senate Auto Caucus