

May 2025

Distinguished STB Board Members and RETAC members,

The shippers on this committee appreciate the opportunity to meet with each and all of you to discuss current aspects of railroad service for utilities, coal producers, biofuels producers, energy groups, and rail car owners. We are here today to present the Board and the Committee with an updated perspective on the rail service that our sectors have been experiencing.

The energy industry remains complex and volatile. I know you are aware of the many unpredictable pressures that impede the industry's ability to predict and forecast the demand for energy and energy commodities with any certainty. The current Federal administration has issued new policies that may provide more opportunities for energy to grow. And the demand for energy from new data centers, AI and EV's continues to challenge the industry in terms of reliability, security and resiliency. Today electric capacity across the nation has become tighter emphasizing that an "all of the above" will be the near term approach rather than continuing a path rapidly moving away from fossil fuels.

Our mission as shippers for the energy industry is to maintain an adequate and reliable flow of commodities to support the growing and insatiable demand for energy. As we have explained previously, the energy industry is held to a rigorous standard for reliability and resiliency. The commodities that our industry uses consist largely of heavy haul traffic that the majority cannot move by any means other than rail. That dependency leaves our sectors extremely vulnerable to the railroad being able to provide adequate service.

We readily acknowledge that both the energy supply and rail freight sectors are not on-demand resources that can be called upon to perform instantly without adequate preparation. The recent executive orders from the administration, while providing a welcome reprieve from unrealistic demands for a green energy transition, also present concerns regarding the industry's ability to respond to surges in demand for commodities and service. As discussed in these meetings previously,, predictions of volume demand and the market often fall short of reality. Our concerns presented in these last several RETAC meetings continue to point out the fallout on our industry when operating personnel and equipment is kept at low numbers.

Reliable rail service is critical if energy shippers are to maintain stability of the grid and support the economic growth of the country.

We want to note again the issues that have been previously highlighted by this group, and that remain critical for the stability and growth of this industry. The issues that the shippers highlighted previously include:

- The impact of Precision Scheduled Railroading practices on the ability of rail carriers to meet shipper needs and respond to changes in demand.
- The continued collection of data on railroad service metrics.
- The need to define the common carrier obligation with clarity and consequences when it is not met.
- The need for the railroad carriers to have better communication and transparency with customers and with other carriers to facilitate preparedness and efficiencies in the network
- The need for the board to continue to consider economic principles in their decisions that enable our industries to remain competitive on an international scale

The shippers of RETAC respectfully request the Board continue to require railroad service metrics that enable the parties to engage in real data-driven discussions in these committee meetings and otherwise as an indicator of preparedness.

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