

March 13, 2026

The Honorable Patrick Fuchs
Chairman
Surface Transportation Board

The Honorable Karen Hedlund
Board Member
Surface Transportation Board

The Honorable Michelle Schultz
Board Member
Surface Transportation Board

Dear Chairman Fuchs and Board Members Hedlund and Schultz:

I am writing on behalf of the Alliance for Chemical Distribution (ACD) to raise concerns about potential surcharges that freight rail carriers may impose on shippers in response to the military conflict in the Middle East and resulting economic disruptions. ACD is particularly concerned about this possibility, given the history of freight rail carriers leveraging external crises to impose unwarranted charges. ACD members have experienced this during both the COVID-19 pandemic and the 2024 labor disruptions.

ACD supports and champions the chemical distribution experts who ensure that essential chemical products are moved safely, reliably, responsibly, and sustainably. ACD's more than 400 chemical distribution industry members are primarily small, multi-generational family-owned businesses. Rail transportation is critical to chemical distribution, as it is the safest form of transportation for hazardous materials. The U.S. relies on rail movement to deliver chemicals, such as chlorine, which is essential to public safety, infrastructure, agriculture, and transportation.

ACD urges the Board to carefully scrutinize any future surcharges imposed by rail carriers arising from the economic impacts of the Middle East conflict. It is the rail carrier's responsibility to ensure any fuel surcharges are directly tied to fuel costs and that rate increases are posted 20 days in advance. The STB must hold them accountable in meeting these standards.

ACD is particularly concerned about surcharges on intermodal shipments, as there is a lack of clear regulatory oversight over rail charges assessed on intermodal traffic, which is exempt from STB regulation. This makes it particularly difficult for shippers to dispute charges that may not meet STB regulatory requirements. Moreover, these surcharges are typically in addition to surcharges already imposed by ocean carriers on the same intermodal movement, forcing shippers to pay a second layer of surcharges on the same shipment. It is critical that the Board clarify the regulatory oversight of freight rail charges for intermodal shipments.

The STB has consistently been an important ally to shippers in the freight rail industry, ensuring freight rail carriers are held accountable and shippers have access to the resources needed to pursue regulatory assistance when appropriate. We encourage the Board to continue using its authority to protect American shippers amid ongoing economic uncertainty.

If you have any questions or require additional information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric R. Byer". The signature is fluid and cursive, with the first name "Eric" being more prominent than the last name "Byer".

Eric R. Byer
President and CEO
Alliance for Chemical Distribution