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STB ADOPTS FINAL RULE AMENDING EMERGENCY SERVICE REGULATIONS

The Surface Transportation Board today announced that it has adopted a final rule, by unanimous vote, to amend its emergency service regulations to provide immediate relief for shippers in certain situations. The final rule clarifies that the Board may act on its own initiative to direct emergency rail service and establishes an accelerated process for acute service emergencies.

In recent years, the Board has heard informally from a broad range of stakeholders about inconsistent and unreliable rail service and issued two orders mandating service in urgent situations. Stakeholder concerns have included railroad crew shortages and inability to move trains, tight car supply and unfilled car orders, delays in transportation for carload and bulk traffic, increased origin dwell time for released unit trains, missed switches, and ineffective customer assistance. As a result of these issues, the Board held a hearing on April 26 and 27, 2022, on current rail service problems impacting the network and the recovery efforts involving several Class I carriers. In addition, in recent years Board staff held informal meetings with stakeholders who observed that the existing regulations governing expedited relief for service emergencies are inadequate and the process is too prolonged, resulting in the regulations being rarely used, even when shippers' interests have been threatened with severe adverse consequences. These service issues have made clear the need for the Board to provide the opportunity for shippers to receive swift action, when warranted, to ensure that the nation's freight rail traffic continues to move.

On April 22, 2022, the Board issued a Notice of Proposed Rulemaking in this docket, proposing to amend its emergency service regulations. The Board received several substantial comments that were addressed in today's final rule. Among other processes, the final rule describes the procedures for petitioning the Board for expedited relief for service emergencies.

"In my view, this revised approach to managing service emergencies is a long-needed reform that will help level the playing field for shippers where rail service failures have caused an acute and serious threat to their business, or when emergency relief is necessary to protect the public," said Board Chairman Martin Oberman.

The Board has also proposed regulations regarding reciprocal switching under which the Board could require rail carriers to establish switching arrangements for inadequate service that persists over an extended period of time. Today's amendments to the emergency service rules are not a substitute for the Board's ongoing consideration of whether to adopt the reciprocal switching rule changes proposed in the pending <u>Reciprocal Switching for Inadequate Service</u>, Docket No. EP 711 (Sub-No. 2).

The decision in <u>Revisions to Regulations for Expedited Relief for Service Emergencies</u>, Docket No. EP 762, may be viewed and downloaded <u>here</u>.

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