

**Surface Transportation Board**  
**Rail Energy Transportation Advisory Committee (RETAC) Meeting**  
October 18, 2023, Meeting Minutes

**STB Members in attendance:**

Chairman Martin Oberman

Vice Chairwoman Karen Hedlund

Board Member Patrick Fuchs

Board Member Robert Primus

Board Member Michelle Schultz

Staff: Jessica Cain, Lisa Novins, Kristen Nunnally - DFO for RETAC, Charles Vance

**RETAC Members in Attendance:**

Adam Anderson - Western Fuels Association

Brian Boaz - Exxon Mobile

Sean Brewer - ADM

Angela Caddell - Co-Chair - BNSF Railroad

Sandra Ellis - Canadian National Railroad

Steve Ewers - NS Railroad

Monica Freeman - CHS Renewable Fuels

Leila Ford - Genesee & Wyoming Railroad

Michael Frailey - Hess Corporation

Brian Fuller - Co-Chair - Southern Company

Robert Guy - SMART-Transportation Division

Christopher Hand - Brotherhood of Railroad Signalmen

John Haysbert - Hitachi Energy

Laura Heisterkamp - Union Pacific Railroad

Mark Huston - Louis Dreyfus Company

Paul Lang - Arch Coal

Edwin McKechnie - McKechnie & Company LLC

Phillip Obie II - Secretary/Treasurer - Santee Cooper

Eric Petersen - evergy

Jason Plett - Navajo Transitional Energy Company

Edward Quinn - R.J. Corman

Brian Reents - Peabody Energy

Emily Regis - Arizona Electric Power Cooperative

Dave Slade - Chevron Renewable Energy Group

Ben Sweat - POET

Bette Whalen - Lower Colorado River Authority

Robert Zmudka- GATX

**Co- Committee Chair Brian Fuller called the meeting to order at 9:35.**

Opening remarks and welcome were given by Vice Chairman Karen Hedlund, with members Patrick Fuchs, and Robert Primus offering remarks. Chairman Martin Oberman thanked everyone for coming.

Co-Chair Fuller had each new member do a brief introduction which included:

1. Bryan Boaz

2. Sean Brewer
3. Sandra Ellis
4. Leila Ford
5. Edward Quinn
6. Robert Zmudka

Co-Chair Fuller recognized Dan Sabin who served on the RETAC committee since its inception and rolled off at the last meeting. He thanked him for his service as a member and as Secretary / Treasurer of the RETAC committee.

Co-Chair Fuller held elections for the open Railroad Co-Chair and General Secretary positions.

Angela Caddell was nominated to serve as Co-Chair. She was voted in by unanimous vote.

Phillip Obie II was nominated to serve as Secretary / Treasurer. He was voted in by unanimous vote.

The Labor Overview was given by Christopher Hand and Robert Guy. Some key points were as follows:

- Membership currently sits at 30,677 for July 2023 which is still down from July 2019 levels of ~36,000 members. Chairman Oberman encouraged the group to do a study on what the membership level should be as opposed to comparing the current number to different points in history. He recognizes that technological improvements have probably helped reduce the number of headcount employees the railroads need.
- It was noted that many signals are being removed from rail systems due to the implementation of Positive Train Control (PTC). Wayside Signal Systems are inexpensive to maintain, and it was challenged that they should remain as a backup to the PTC for the safety and health of the rail network.

The Railroad Overview as given by Laura Heisterkamp with slides presented by Angela Caddell. Some key points were as follows:

- Intermodal makes up approximately 27% of the rail business but is currently lower due to lower consumer spending and high inventory levels with retailers.
- Grain volume is down currently.
- Coal exports are up approximately 11% since 2022.
- Growth is expected in the Renewable Diesel industry.
- Railroad Velocity is up, and Dwell time is down.
- Capital spending on the railroad as a percent of revenue is approximately 18% whereas in other industries it is around 3%.

The Shippers' Overview was given by Adam Anderson. Some key points were as follows:

- Improvements overall in service from the railroads since the spring meeting was held.
- Shippers are concerned that if volumes increase that railroads will not be able to meet increased demand.
- Management base managing the crews continues to decrease and be replaced with technology. Shippers would rather speak to a person when they have shipping issues.
- Continued communication between Railroads and Shippers is important.

Industry Segment Presentations:

Presentations are available on RETAC website. Presentations began at approximately 12:10pm.

1. Ethanol/Biofuels/ Renewables – Given by Ben Sweat. Key Points were as follows:
  - Train speed is improving with CSX currently being the fastest Class 1.
  - Growth in renewable diesel is expected and could double by 2025. This growth is expected to replace diesel, not be in addition to current supplies.

Break for lunch at approximately 12:25pm until 1:05pm.

2. Utilities Overview - Given by Emily Regis and Phillip Obie II. Key points were as follows:
  - Coal stockpiles are up with approximately 70% of utilities surveyed having 30 days or more of burn on hand.
  - Coal deliveries for 2023 YTD are within expected ranges given the mild weather and shipments being pushed out due to high stockpiles.
  - Forecasting can still be a challenge with changing weather and updates are provided throughout the year to the rail carriers to show changes in forecast.
  - It is important that shippers be rateable to get consistent service.
3. Coal Overview - Given by Paul Lang. Key Points were as follows:
  - Rail service has improved.
  - 17% of coal produced was exported 1<sup>st</sup> half of 2023.
  - Some export coal is not exported through the most convenient port based on its final destination.
  - No projected large increase or decrease in mining operations in the United States. As domestic demand decreases production will move overseas.
4. Oil Overview - Given by Michael Frailey. Key points were as follows:
  - OPEC has cut production.
  - Oil pricing is up because of Iran news and better than expected economic data coming out of China.
  - Oil is exported and imported into the US depending on the US's need for light sweet or heavy oil for refining.
5. Railcar Overview - Given by Rob Zmudka. Key points were as follows:
  - Coal car fleet is shrinking, and no new cars are being built. Many remain in storage / not running.
  - Current shop capacity is tight for tank car repairs / retrofits.

#### Written Comments-

Written comments were received from the National Mining Association (NMA). They were read out at the meeting by Katie Mills, their Associate General Counsel, since she was in attendance at the meeting. There was no discussion.

#### Roundtable-

Discussion on the possibility of taking a trip out to one of the represented industries for the Spring meeting. More details to come. No other discussion took place.

Presentations are available on the RETAC webpage on the STB website:

<https://www.stb.gov/resources/stakeholder-committees/retac/>

**The meeting concluded at 2:30 pm.**

Minutes submitted by: Phillip Obie II, Secretary / Treasurer for RETAC