



**The Honorable Martin J. Oberman**  
**Chairman**  
**Surface Transportation Board**  
**Washington, DC 20423**

Dear Chairman Oberman,

Your comments addressed to [the North American Rail Shippers Association](#) and to Midwest Association of Rail Shippers earlier this year provide a glimmer of hope to those who care deeply about US rail transport. We believe that you are correct to ask *“whether the combination of the reductions in workforce, the interruptions in service, the demarketing all implicate the common-carrier obligation that railroads have and have had really since the beginning of the railroad industry.”*

We, the undersigned, wish to express our gratitude to you for engaging in this most important line of inquiry. We also urge you to continue to focus your energies in this direction and utilize your office and the resources of the STB to champion regulatory efforts, public policy, and aligning Common Carrier Obligations of US railroads with 21st Century public interests<sup>[1]</sup>.

As you said, *“2021 is not 1980.”* Record profits are being extracted by the Class 1 railroads through the application of PSR and decades of service and commodity exceptions. These exemptions pervert the very concept of Common Carrier Obligations. Accountability to the public interest has been rendered nugatory. The fragility of globalized supply chains made apparent through the CoVid-19 pandemic connects the dots on the failings of globalization untethered to the wellbeing of people and the planet and a railroad business model that has abandoned its stewardship of critical national infrastructure meant to serve the public good.

The confluence of crises facing our country and the potential solutions we seek repeatedly intersect with the untapped potential of our interstate railroads. Fending off catastrophic climate change demands a rapid decarbonization of our transport and energy systems. Gradual electrification of our railroads is only part of that process. The efficiencies of rail make mode shift of freight a public priority for harm reduction whenever feasible, but especially for long hauls over 500 miles. You estimate that *“Since 2002, over 123 million tons of global warming CO2 has been pumped into our atmosphere just because the railroads chose not to maintain their market share as compared to trucks.”* Approximately 40% of long haul freight (>500 miles) ton miles is carried by trucks rather than trains. This fact exposes an obvious mismatch between the freight system we have and the freight system the public deserves. Imagine the positive impact that could be achieved were the railroads to increase mode share rather than demarket commodities and communities. That sort of mode shift is certainly in the public interest, but GHG emissions are but one of the many public interest impacts related to US rail.

Chairman Oberman, you point out that had the Class 1 railroads funneled more of their profits into growing capacity rather than stock buybacks and shareholder dividends that *“We would have more freight moved and at a lower rate. We would have more employment with better working conditions and the public would benefit with lower consumer prices, less highway congestion and less polluted air.”* Add reduced wear and tear on infrastructure, revitalized rural economies, reduced pollution from tires and much more. As you said, *“The United States decided long ago (that) the public interest requires some balance between the railroads operating as private profit-making companies ... and the public’s interest.”* It is time that we establish that balance.

In 2019, the EU published an External Costs of Freight Handbook to quantify the multiple public benefits of shifting freight from roads to rails. The EU has invested in a Shift2Rail<sup>2</sup> program to propose solutions for their freight system. The EU even declared 2021 the “Year of the Train.” It is urgent that the US take the public’s interest in rail transport at least as seriously as the EU and others around the globe. The US needs to marshal our data to demonstrate the public’s interest in transportation investments that maximize benefits and reduce harms. Such an effort should be easily done given the volume of data available, including the waybill data available to the STB. A US effort to quantify the actual costs of our transportation choices - especially in regards to freight - will serve as a basis for clarifying and updating Common Carrier Obligations of the Class 1 railroads.

In closing, the truth of your statement that *“It’s time for the railroads, shippers, workers and the public to realize that we’re all in this together”* is indisputable. However, historical experience and recent behavior by Class 1 railroads is full of prevarication, obfuscation, and obstructionism. The only environment in which it is imaginable that Class 1 railroads would transform their practices to comply with CCOs that reflect 21st Century public interests is one in which those interests are clearly articulated by policy makers and the STB is fully empowered to enforce compliance.

The railroads and their rights of way are solutions hiding in plain sight for problems that are immediate and urgent. Marshaling this critical national infrastructure will require clarity of purpose and strong leadership. We cannot wait for Wall St. to transcend its obsession with profits nor be satisfied with half measures achieved through Class 1

greenwashing. Please, remain bold in this endeavor and fully exercise the power and influence of your position.

With gratitude and solidarity,

**Signing organizations and individuals:**

Bill Moyer  
Executive Director  
Backbone Campaign  
Solutionary Rail co-author & campaign director

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CC'd:

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The Honorable Pete Buttigieg  
Secretary of Transportation

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Congressman Peter DeFazio  
Chair of House Transportation Committee

Congressman Donald Payne Jr.  
Chair House Transportation Subcommittee Railroads, Pipelines & Hazardous Materials.

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[1] [Common Carrier Obligations for 21st Century Public Interests](http://solutionaryrail.org/cco) - Potential considerations for CCOs at <http://solutionaryrail.org/cco>

[2] Interview with Shift2Rail's Carlos Borghini and links to related documents at <http://SolutionaryRail.org/shift2rail>