

May 23, 2022

Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

Attn: Docket No. EP 762 (87 Fed. Reg. 25609; May 2, 2022)

Via: e-filing <https://www.stb.gov/proceedings-actions/e-filing/other-filings/>

Re: Revisions to Regulations for Expedited Relief for Service Emergencies

The Renewable Fuels Association (RFA) appreciates the opportunity to comment on the proposed amendments to modify and update the expedited emergency service regulations at 49 C.F.R. part 1146 (87 Fed. Reg. 25609).

The RFA is the leading national trade association representing U.S. ethanol producers. Our mission is to drive expanded demand for American-made renewable fuels and bioproducts worldwide. Founded in 1981, RFA serves as the premier forum for industry leaders and supporters to discuss ethanol policy, regulation, and technical issues. RFA's 300-plus members are working daily to help America become cleaner, safer, more energy secure, and economically vibrant.

Ethanol is primarily shipped by rail and plays a critical role in our country's energy security. RFA recently submitted written testimony to Docket No. EP 770: Urgent Issues in Freight Rail Service (87 Fed. Reg. 22009; April 13, 2022) pertaining to the Surface Transportation Board hearing (Urgent Issues in Freight Rail Service) held April 26-27, 2022. That testimony is enclosed as Attachment A to these comments and expresses the concerns of our member companies, who are currently experiencing abnormal rail service disruptions.

We support the Board's proposal to modify and update the expedited relief for service emergency rules at 49 C.F.R. Chapter X, part 1146 by revising § 1146.1 and adding § 1146.2.

Specifically, we support the proposal to modify petition requirements currently under 49 C.F.R. § 1146.1(b)(1)(iii). This will ease the current burden of requiring shippers to secure an alternative carrier in advance of petitioning for emergency expedited relief. By simply requiring petitioners to provide a list of *possible* alternative carriers, the proposed modifications will make it much easier for affected parties to begin the petition process for emergency expedited relief. The proposed modification should help streamline the petition process and minimize disruptions in important customer service dynamics with carriers.

RFA also supports the proposal to modify the regulatory timeframe and establish an accelerated process for handling acute service emergencies with definitive deadlines. However, we remain concerned that the modified timeline is still too lengthy to efficiently address emergencies in a timely manner. For example, on-site storage for ethanol at a typical ethanol plant is less than one week's production. Thus, trimming only a few days off of the petition process does not fully address emergency issues at facilities that could still be forced to shut down due to the lack of power to pull full cars or return empties. We recommend that STB make every effort to further expedite the process to review and act on acute service emergencies.

We appreciate the Board responding to comments raised during the April 26-27, 2022 public hearings by requiring all Class I carriers to submit information on a weekly basis for the next six months and provide recovery plans addressing labor shortages and dwell times. We agree with STB that more "real-time" information is needed regarding dwell times, labor force, trains held, and other key service indicators. Attachment B is a summary of recent data showing the rapid deterioration of rail service for ethanol producers and shippers. We will continue to collect and analyze this data to track progress.

Finally, we urge STB to ensure that appropriate attention is being paid to the disproportionate deterioration of service for manifest trains, which are utilized by many of our member companies to ship both ethanol and co-products. As can be seen in Attachment B, the number of manifest trains holding is far greater than the number of unit trains holding. In the case of some Class I railroads that serve ethanol facilities, the average number of manifest trains holding per day is more than 20 times greater than the number of unit trains holding. RFA encourages STB to ensure that proper focus is being given to understanding the causes and possible solutions for the extreme service disruptions for manifest shippers.

If you have any questions, please do not hesitate to contact Kelly Davis, Vice President of Technical and Regulatory Affairs, at kdavis@ethanolrfa.org.

Sincerely,



Geoff Cooper
President & CEO

April 22, 2022

Surface Transportation Board

395 E Street SW

Washington, D.C. 20423

Attn: Docket No. EP 770: Urgent Issues in Freight Rail Service (87 Fed. Reg. 22009; April 13, 2022)

Re: Written Testimony of the Renewable Fuels Association

The Renewable Fuels Association (RFA) appreciates the opportunity to provide this written testimony for the record pertaining to the Surface Transportation Board hearing (Urgent Issues in Freight Rail Service) held April 26-27, 2022.

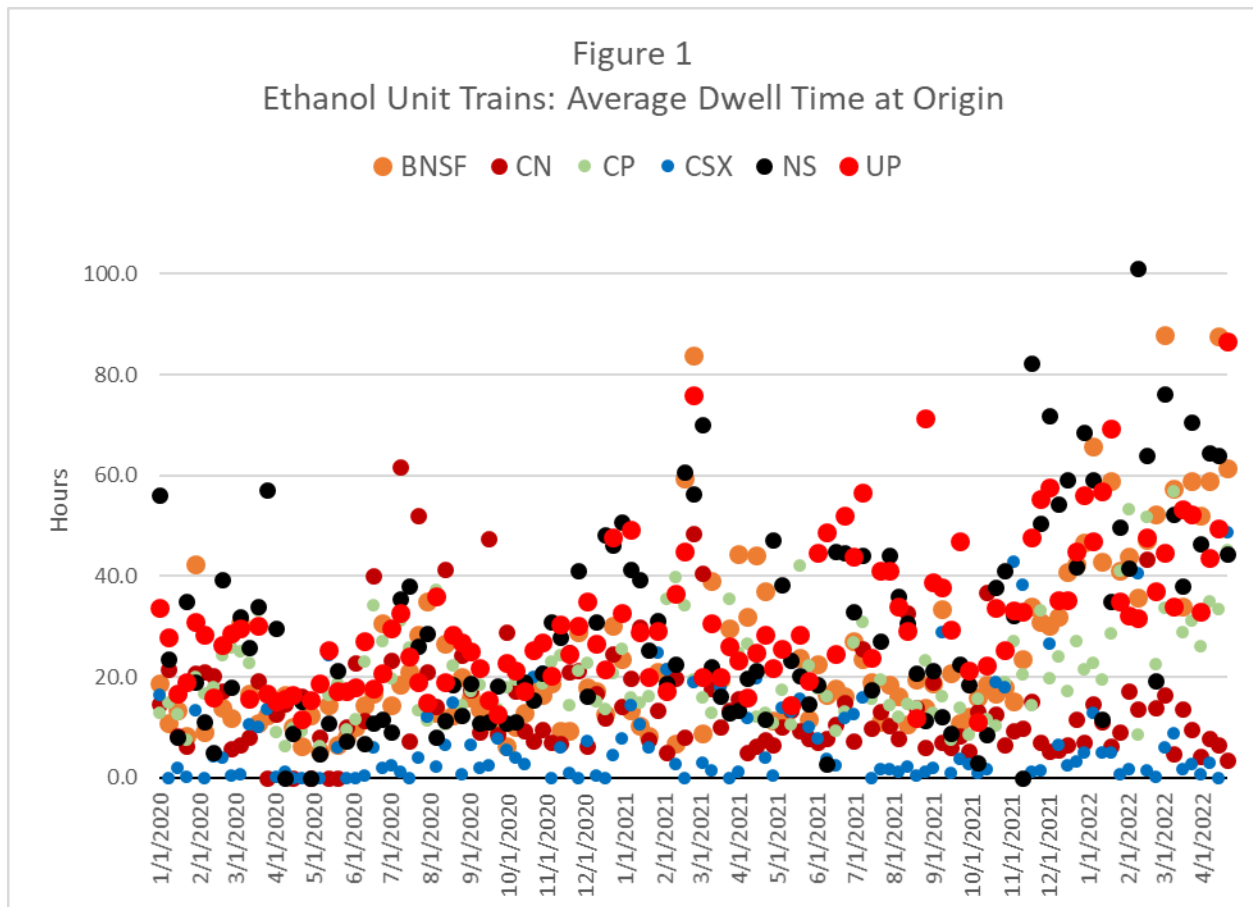
RFA is the leading trade association for America's ethanol industry. Our members across the country work every day to expand demand for American-made ethanol and bioproducts worldwide.

As you know, ethanol plays a critical role in our country's energy security, making up more than 10% of the U.S. fuel supply. The majority of the ethanol produced in the U.S. (over 70%) is transported via railway to its final destination across the lower 48 states as well as Canada and Mexico. In fact, U.S. railroads typically transport more than 370,000 carloads of ethanol per year, accounting for almost 3% of total U.S. rail ton-miles. Thus, our industry is heavily reliant on efficient and timely rail service. With the crisis in Ukraine and the subsequent concerns regarding instability in U.S. and global energy supplies, it is imperative that the robust supply of lower-cost American-made ethanol safely and efficiently reaches fuel consumers in a timely manner.

Unfortunately, many of our member companies are experiencing abnormal rail disruptions at a time when they, as well as the American consumer, can least afford it. STB data show a significant increase in dwell times for ethanol unit trains in recent months (see Figure 1), as well as a concerning increase in the average number of ethanol unit trains holding per day.¹ Rail traffic congestion appears to be the primary issue and ethanol producers and marketers are being asked to reduce rail car inventories. Some rail service providers are indicating that if there

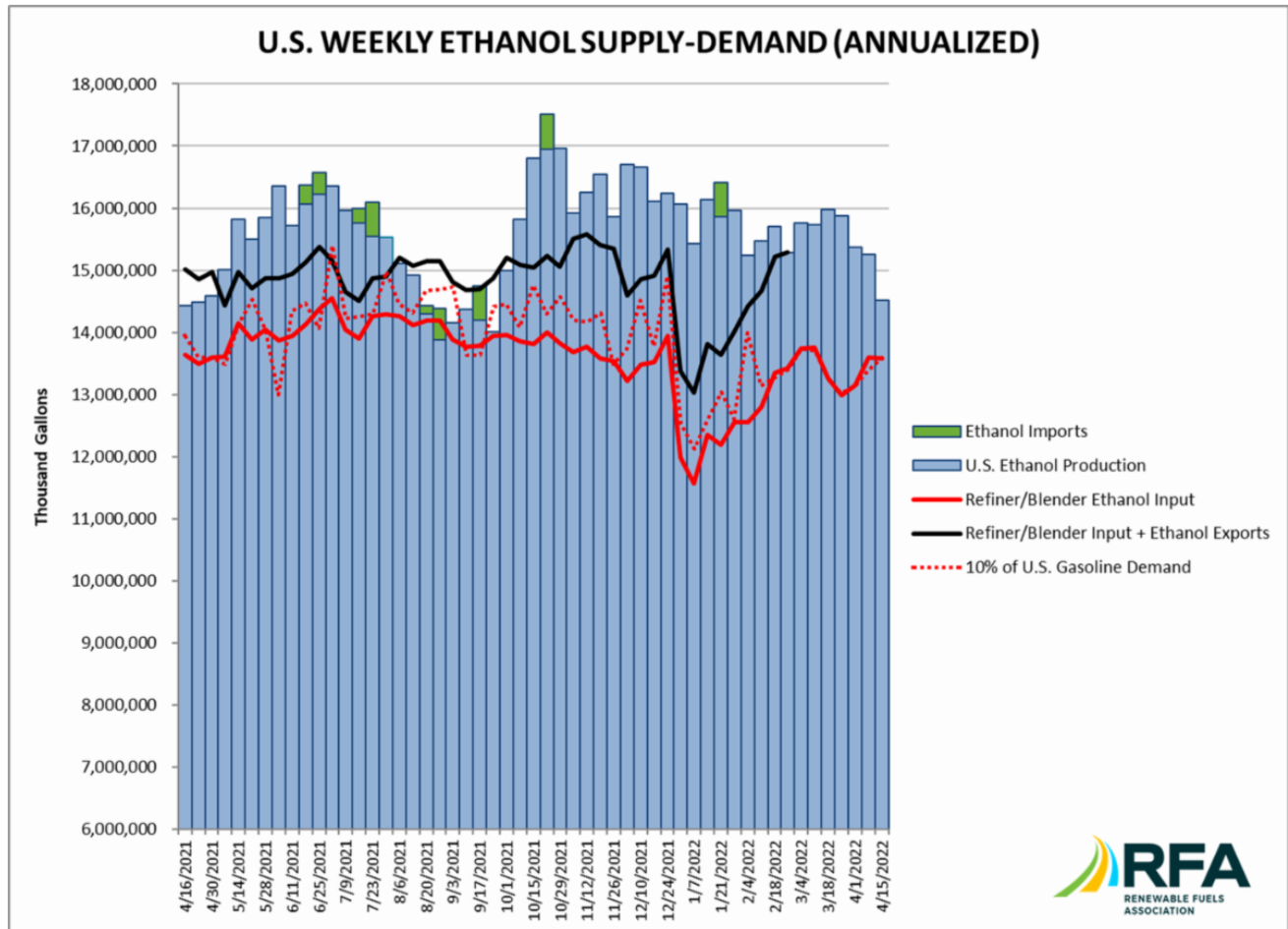
¹ Surface Transportation Board. Rail Service Data. <https://www.stb.gov/reports-data/rail-service-data/#railroads-tab-content-1>. Accessed April 21, 2022.

is not a reduction in operating inventory, then metering of traffic will commence until such time as the backlog of rail cars is worked through and service can be improved for all customers.



The rail traffic congestion issue and subsequent decision to meter traffic is leading to major disruptions for our members and is impacting their ability to maintain production and deliver vitally important fuel ethanol to the market. In some cases where on-site storage is reaching capacity, some producers are having to reduce ethanol production rates until cars are made available. Recent data from the Energy Information Administration (Figure 2) show that weekly ethanol production rates have fallen in four successive weeks, with many producers citing rail logistics issues as the primary culprit for reduced output.

Figure 2



In many instances, both manifest and unit train traffic has been significantly delayed and this is leading to fuel terminals running short on ethanol needed to blend for retail consumption.

We understand that nearly every sector of the U.S. economy is suffering from supply chain challenges; and those sectors that are dependent on rail service for their transportation needs are experiencing challenges similar to what we are experiencing in the ethanol sector. However, U.S. ethanol is currently the lowest-cost fuel available to fuel blenders during this period of record or near-record fuel prices. Ethanol plays a vital role in maintaining our current energy supply and security. If the current rail traffic congestion issue worsens for ethanol producers, it has the potential to significantly hinder our ability to maintain critical fuel supplies for U.S. consumers.

For these reasons, RFA urges the Surface Transportation Board to take all actions necessary to prioritize the rail transportation of fuel ethanol from its point of origin to its final destination. This action is needed to ensure that the lowest cost liquid fuel alternative is available to U.S. consumers across this country at a time when it is needed most.

If you have any questions, please do not hesitate to contact myself or my staff for further information.

Sincerely,

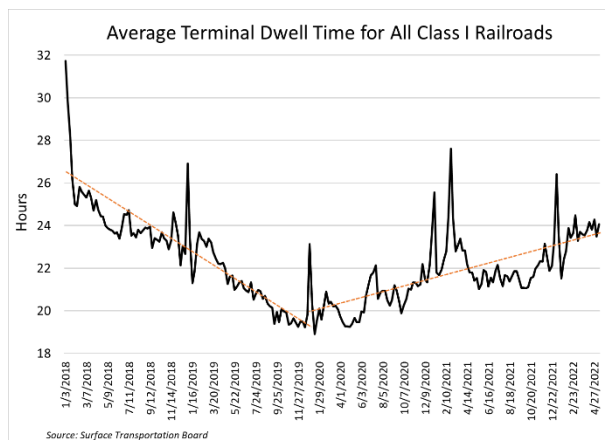
A handwritten signature in black ink that reads "Geoff Cooper". The script is fluid and cursive, with the first name "Geoff" and last name "Cooper" written in a single continuous stroke.

Geoff Cooper
President & CEO

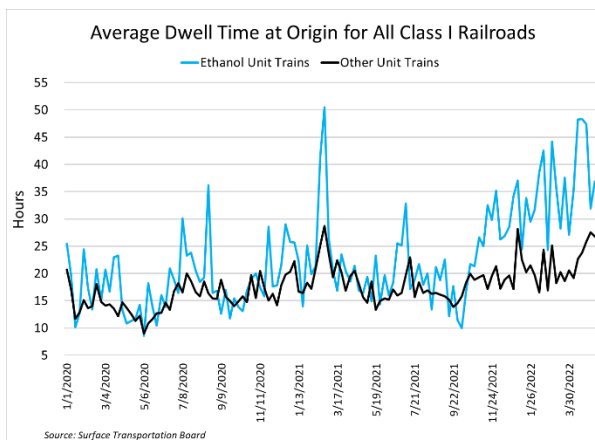
Current U.S. Rail Service Deficiencies and Their Impact on the U.S. Ethanol Industry

Recent Class I rail service has remained inconsistent and unreliable, with trains servicing ethanol plants disproportionately affected.^{i ii iii}

DWELL TIMES

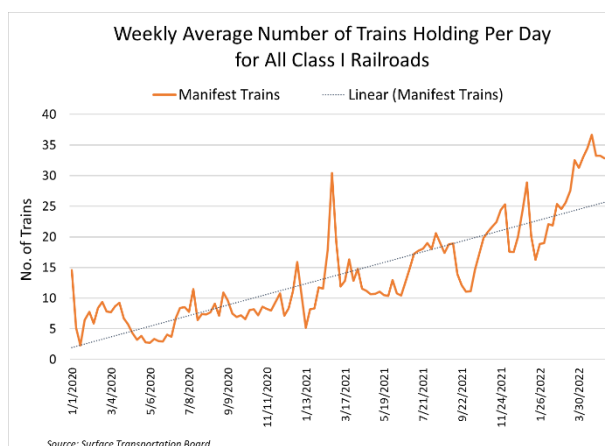


While average *terminal* dwell times are down 24% from the “polar vortex” at the start of 2018 (peaking at 31.7 hrs.), they remain 32% above mid-Jan. 2020 (18.9 hrs.).

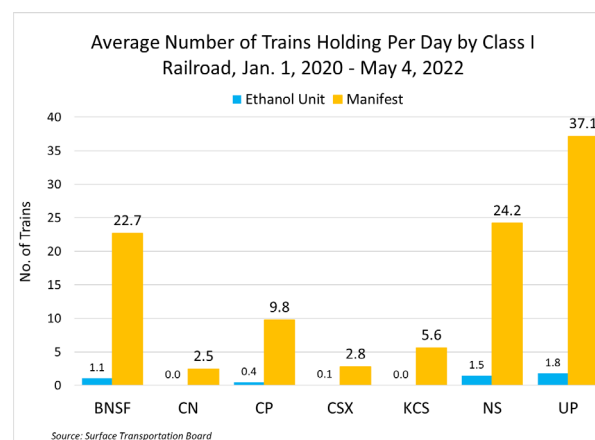


Avg. dwell time for ethanol unit trains *at origin* since the start of 2020 have generally tracked with dwell times for other unit trains. However, beginning in Oct. 2021, avg. ethanol unit train dwell times at origin have been disproportionately affected, +64% versus +25% for other unit trains.

TRAINS HELD

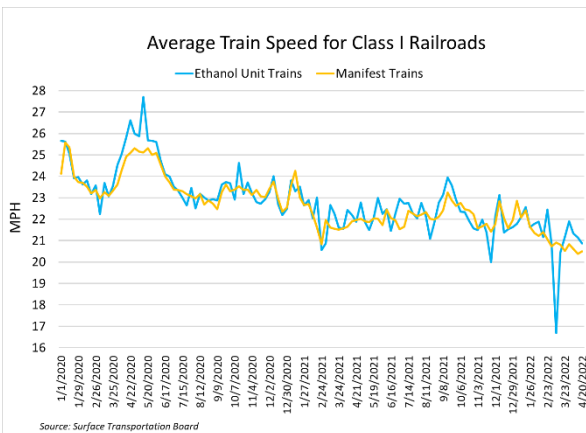


While the avg. number of ethanol unit trains holding has remained at roughly 1/day for the last two years, the avg. number of manifest trains held since mid-Jan. 2020 has accelerated by roughly fourteen-fold—the largest volume in more than four years.

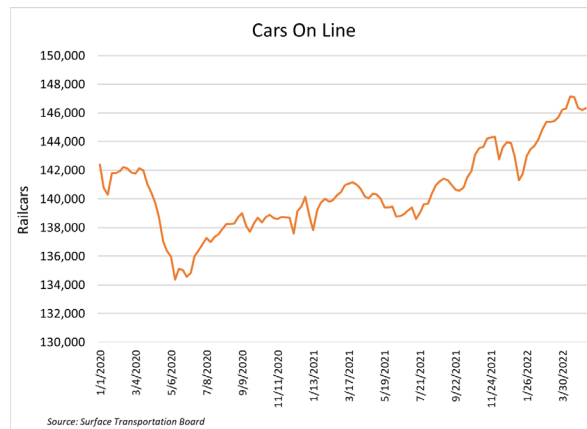


The jump in number of trains held can be traced to select railroads.

TRAIN SPEED

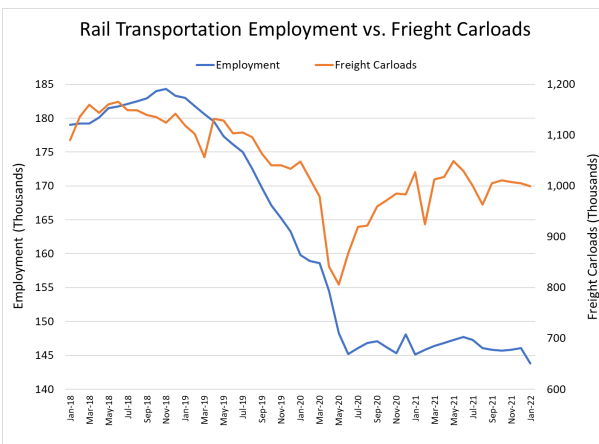


Avg. speeds for ethanol unit trains and manifest trains have decreased by 14% since the start of 2020.

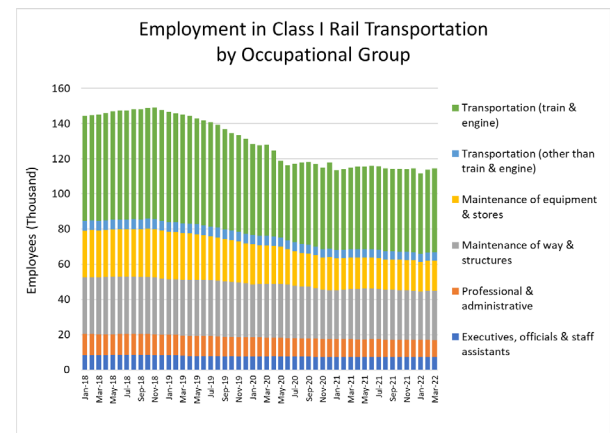


The number of railcars on line has rebounded from the 5% drop in railcars experienced during the early lockdown period of the pandemic (Mar.-May 2022) and pushed another 3% higher.

EMPLOYMENT



After remaining mostly stable for the past twenty-five years, employment in the rail transportation industry declined by 41,000 jobs from Nov. 2018 to Jan. 2022—eliminating over a fifth (22%) of jobs.



During that same timeframe, Class I railroads slashed a quarter of employees with the largest cuts hitting power and maintenance: Employment in maintenance of equipment & stores is 38% lower and there are 28% fewer train and engine workers. Conversely, the number of Class I cars on line during that period increased 2%.

ⁱ U.S. Surface Transportation Board. Rail Service Data. <https://www.stb.gov/wp-content/uploads/files/rsir/All%20Class%201%20Railroads/EP724%20Consolidated%20Data%20through%202022-05-11.xlsx>. Accessed May 13, 2022.

ⁱⁱ U.S. Surface Transportation Board. Employment Data. <https://www.stb.gov/reports-data/economic-data/employment-data/>. Accessed May 5, 2022.

ⁱⁱⁱ U.S. Bureau of Labor Statistics. Employment Situation News Release. <https://www.bls.gov/news.release/empsit.t17.htm>. Accessed May 5, 2022.