



August 16, 2024

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

RE: September 16th and 17th public hearing on “Growth in the Freight Rail Industry”
[Docket No. EP 775]

To Whom it May Concern:

I am writing on behalf of the American Consumer Institute, a nonprofit educational and research institute. We focus on economic policy issues that affect society as a whole, and we seek to be a better and more reasoned voice for consumers by using economic tools and principles to find public policies that work best for consumers.

We are submitting the attached whitepaper to be entered into the record for the Surface Transportation Board’s September 16th and 17th public hearing on “Growth in the Freight Rail Industry” [Docket No. EP 775]. Our white paper recommends that STB and Congress take into consideration the competitive structure of the modern freight shipping industry when considering regulatory changes. Rail is no longer the major mode of freight transport. Regulations that target only rail will serve to push more freight to trucking, thereby creating increased safety problems, more pollution, and increased wear and tear on public roads and bridges. We suggest policymakers should consider streamlining the existing standard and limiting regulatory overreach.

Attempting to further impose public utility-style regulations on the U.S. freight rail system will likely lead to higher prices for goods shipped, encourage rent-seeking by large shippers looking for favorable rates, and return the industry to onerous regulations that were ended more than forty years ago after nearly bankrupting the industry. The reasons for these regulations are not clear, considering there is no evidence that freight rail carriers have failed to meet their common carrier obligations.

If you have any questions or would like to discuss this issue further, please do not hesitate to reach out. Thank you for your consideration on this issue that is critical to consumers across the United States and around the world.

Sincerely,

/s/ Steve Pociask
President and Chief Executive Officer
American Consumer Institute