

United States Senate

WASHINGTON, DC 20510

January 24, 2017

The President
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

I write today regarding an issue vital to the ability of our nation's manufacturing, agricultural and energy industries to compete in the global marketplace.

Access to efficient and cost-effective rail transportation is essential to our "Made in America" economy. The Surface Transportation Board (STB or Board) plays a key role in ensuring the freight rail system works for rail companies, shippers and the businesses that rely on them. The Board is charged with economic oversight of the railroad industry for both railroads and shippers – including many shippers that are served by a single railroad.

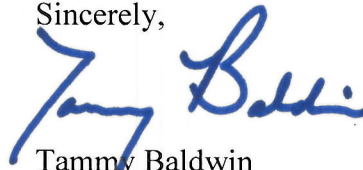
During the first year of your presidency, you will have the opportunity to appoint two members to the STB. I urge you to nominate fair and knowledgeable individuals to serve on the Board. These individuals should have an understanding of the challenges shippers face and seek to ensure balance in the regulatory environment so that freight rail service can be efficient and reliable and rates can be competitive. Further, I ask that you select individuals committed to ongoing efforts to modernize the Board to better meet the needs of all stakeholders.

In Wisconsin and across the nation, lack of competition for rail services has dramatically increased the power of railroads over shippers. Consolidation in the rail industry over the last few decades has come at a high price for shippers. Rapid increases in freight rail rates have far outpaced increases in other means of moving freight. Too often, I have heard from shippers experiencing service and reliability problems. I call your attention to these realities because the STB has broad statutory authority to resolve disputes between railroad companies and shippers, require reasonable service standards and address uncompetitive rates.

Competitive rail service with balanced STB oversight is a win for all Americans. When manufacturers pay more to transport finished products, higher costs are passed on to consumers and American products are less competitive in the global market. The same is true for agricultural producers located far distances from their markets. Consumers are left with higher utility bills when energy companies are unable to receive dependable shipments. Moreover, unreliable and nonexistent rail access has an impact on the ability of rural businesses to simply remain in business and can be a deal-breaker for businesses attempting to locate in rural regions. This has the potential to dampen employment, reduce wages and weaken the economies of our rural communities.

As your Administration moves to nominate members to the Board, it is imperative that they have an understanding of the challenges shippers face so that they can continue to compete in the global marketplace and grow our Made in America economy.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tammy Baldwin". The signature is fluid and cursive, with the first name "Tammy" written in a larger, more prominent script than the last name "Baldwin".

Tammy Baldwin
United States Senator