



American Short Line and Regional Railroad Association

The Honorable Nancy Pelosi
Speaker, U.S. House of Representatives

The Honorable Kevin McCarthy
Minority Leader, U.S. House of Representatives

The Honorable Peter DeFazio
Chairman, Committee on T&I

The Honorable Sam Graves
Ranking Member, Committee on T&I

The Honorable Charles Schumer
Majority Leader, U.S. Senate

The Honorable Mitch McConnell
Minority Leader, U.S. Senate

The Honorable Patty Murray
Chair, Senate HELP Committee

The Honorable Richard Burr
Ranking Member, Senate HELP Committee

September 10, 2022

Dear Majority Leader Schumer, Republican Leader McConnell, Speaker Pelosi, Republican Leader McCarthy, Chairman DeFazio, Ranking Member Graves, Chairwoman Murray, and Ranking Member Burr:

I write to you because of the growing concern that the ongoing rail labor negotiations involving the Class I railroads and their employees will not reach a voluntary settlement and there could be a rail system shutdown as soon as the Railway Labor Act mandated “cooling off” period ends on the night of September 15. In such event, it is imperative Congress act to avoid severe and unnecessary national economic calamity.

The U.S. freight rail network is a crucial component of the global supply chain – it is part of an integrated network of trains, trucks and barges that ships 61 tons of goods per American each year. Nearly 40% of long-distance freight ton-miles moves via rail — more than any other mode of transportation.

The American Short Line and Regional Railroad Association (ASLRRRA) is the non-profit trade association representing the interests of the nation’s 600 small business short line railroads that operate 50,000 miles of track, or approximately one-third of the national railroad network, originating or terminating one out of every five railcars, serving customers who otherwise would be cut off from the network and thus disconnected from the national and global economies. Short lines work with our Class I freight railroad partners to serve every aspect of our nation’s industrial, agricultural, and energy economies.

Put simply, a rail system shutdown would be catastrophic for the U.S. economy, tens of thousands of businesses, and tens of millions of consumers. It would spike inflation, cause industrial chaos, and be a terrible result for everyone involved.

There should be, and I am hopeful there will be, a voluntary agreement. After the parties were released from mediation by the National Mediation Board earlier this summer, President Biden appointed a

credible and experienced Presidential Emergency Board (PEB). The PEB did its job and published recommendations for a compromise between rail carriers and rail labor unions.

By any objective measure, the recommendations are a win for rail labor – they include a 24% compounded raise over five years, plus \$1,000 bonuses each of the five years, plus no significant changes to a robust health care and retirement package. The railroads have indicated their willingness to accept this compromise and finalize an agreement based on the PEB's recommendations, and five of the negotiating rail unions have also already tentatively agreed to the proposal. It seems clear that this is where the final agreement will land and that it should be a readily accepted voluntary agreement.

However, if a voluntary agreement is not reached, Congress must be ready to immediately step in and avert a system shutdown by legislatively implementing the PEB recommendations, which would be a win-win result for all parties.

As we all recognize, the entire supply chain is currently struggling due to a myriad of challenges, some self-inflicted and some external, and the U.S. freight rail network is no exception. Short lines are 100% committed to doing our part and more to provide excellent freight rail service, enable the success of our customers, and get the American freight transportation network back to peak reliability and efficiency, but any rail work stoppage in the United States or any further delay in getting a labor agreement completed helps no one: it would greatly exacerbate the ongoing supply chain challenges, increase uncertainty, and needlessly upend the U.S economy – overall costing Americans \$2 billion per day in lost economic activity.

As soon as a final agreement is reached, the rail workers who are part of this negotiation can get the backpay they have earned and the raises they deserve, and the railroads will be able to more effectively retain existing employees, hire new ones, and get our system back on track.

Thank you for your time and attention regarding this issue.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Baker', written in a cursive style.

Chuck Baker
President, ASLRRRA