



Freight Rail Shipping Fair Market Act

SECTION BY SECTION SUMMARY

Sec. 1. Short Title; Table of Contents.

States that this Act may be cited as the “Freight Rail Shipping Fair Market Act.”

Title I—Administrative Provisions

Sec. 101. Authorization of Appropriations.

Authorizes \$256 million over five years for activities of the Surface Transportation Board (STB), requires that 5 percent of those funds be set-aside for the activities of the passenger railroad program consistent with the *Infrastructure Investment and Jobs Act (IIJA)*, and provides that up to \$1 million per year for two years be set-aside for studies on freight rail competition, identifying the environmental benefits of rail, and supply chain data.

Sec. 102. Railroad-Shipper Transportation Advisory Council.

Expands the Railroad-Shipper Transportation Advisory Council (RSTAC) from 19 to 24 members to include three new non-voting positions, one each to represent labor, rail car lessors, and port authorities. Authorizes all five STB members to participate. Current law only allows three of the STB members to participate in RSTAC.

Sec. 103. Rail Transportation Policy.

Updates the rail transportation policy to include references to the importance of both the freight and passenger rail industries and explicitly states what has been previously authorized regarding the STB’s role in resolving conflicts between freight and passenger rail.

Sec. 104. General Definitions.

Defines essential commodities to mean shipments to and from military installations, materials necessary for clean water treatment, and energy products necessary for energy reliability. Adds magnetic levitation technologies to the definition of a rail line.

Sec. 105. Updated Study on Competition in the United States Freight Railroad Industry.

Directs the STB to conduct an updated study on freight railroad competition.

Sec. 106. NAS study on Environmental Benefits of a Robust Rail System.

Directs the National Academies to study the environmental benefits of moving freight and passengers by rail compared to other modes of transportation and assess how the STB can incentivize the rail industry to maximize these environmental benefits.

Title II—Service Delivery

Sec. 201. 10-Year Review of Commodity Exemptions.

Requires the STB to review exempt commodities one year after enactment and every ten years thereafter to determine whether market competition sufficiently exists to keep the commodity on the exemption list. Exempt commodities are assumed to have access to competitive transportation markets and therefore the STB does not regulate those transportation services.

Sec. 202. Streamlining Rate Reviews to Provide Competitive Rail Service.

Within nine months of enactment, the STB shall submit a report to Congress on efforts the STB can take to speed up consideration of rate review cases.

Sec. 203. Service Delivery Standards in Contracts.

Requires railroad-shipper contracts, which encompass 80 percent of rail volume, to include service delivery standards and appropriate remedies as a result of a failure to meet service delivery standards. Summaries of each agricultural product contract must also include service delivery standards and requisite remedies.

Sec. 204. Leveling the Playing Field on Demurrage Charges.

The growing shift in rail car ownership towards shippers requires an update in who can charge premiums to fulfill the national need related to efficient freight car use and distribution. The bill expands this financial mechanism to private car owners and lessees that transport agricultural commodities and other essential commodities. This section also requires railroads, private car owners, and lessees to report demurrage income quarterly to the STB.

Sec. 205. Minimum Service Delivery Standards for Common Carrier Transportation, Service, and Rates.

Requires common carrier service terms to include service delivery standards for efficient, timely, and reliable rail service, and transportation and remedies for when the service delivery standards are not met. This section also requires the STB to develop minimum service delivery standards by commodity and defines STB considerations for the common carrier obligation including rail service impacts to shippers.

Sec. 206. Updating STB Emergency Powers.

Authorizes the STB to require that railroads have adequate equipment, track, and personnel when the STB determines there are urgent freight rail problems.

Sec. 207. Support for Freight Car GPS and Other Telemetry Systems.

This section includes a policy statement in support of freight car GPS and other telemetry systems to inform shippers where in the freight rail system their cargo is located. It also requires the STB and the Federal Rail Administration (FRA), in coordination with the Department of Homeland Security (DHS), to submit a report on the safety and other regulatory challenges and opportunities of such a system.

Sec. 208. Study on Short line Railroad Access to Multiple Class I Railroads.

Directs the Government Accountability Office (GAO) to conduct a study not later than two years after enactment on existing contractual prohibitions and restrictions between Class I railroad carriers and Class II and III carriers on interchange agreements.

Sec. 209. Study on Supply Chain Data Constraints that Impede the Flow of Freight.

Directs the National Academies to conduct a study on data constraints that impede the flow of freight and add to supply chain inefficiencies. The study shall identify data sharing systems that can be employed to improve the supply chain.

Sec. 210. Rate Protection During Emergencies.

Prohibits rail rate increases during rail service emergencies declared by the STB.

Sec. 211. Updated Fines.

Creates financial incentives for railroad service by requiring a GAO review within one year of enactment of STB penalty authority to inform STB rulemaking to modify civil penalties.

Title III—Passenger Rail

Sec 301. Passenger-Freight Rail Transportation Advisory Council.

Modeled on the existing RSTAC authorizing language, this section creates an 18-member Railroad-Passenger Rail Transportation Advisory Council (RPRTAC) comprised of the five STB members, ten senior executive officers of organizations engaged in the freight railroad and passenger rail industries, states who fund intercity passenger rail services, and non-voting representation from the Secretary of Transportation, rail passengers, and labor. The Council is required to prepare an annual report on its activities and policy recommendations for the House Committee on Transportation and Infrastructure and the Senate Committee on Commerce, Science and Transportation.

Sec. 302. Passenger Rail Considerations in Transactions Involving Rail Carriers.

Requires that current and future passenger rail service be accommodated in STB railroad merger and acquisition considerations.