Forced Access

The U.S. Surface Transportation Board (STB), which oversees the economic regulation of freight railroads, is once again considering a rule that would mandate reciprocal switching among freight railroads. This policy of forced access would compel railroads to open their privately owned and maintained railways up to competitors at potentially below-market rates.

In Brief

Forced access would slow freight and passenger rail service, harm most shippers, undermine economic growth, compromise safety, increase emissions and congestion, reduce rail's ability to invest and compete, and further strain a supply chain already struggling to meet demand.

Why It Matters

Forced access would compromise the efficiency of the rail network and undermine service for rail customers and communities coast-to-coast when the supply chain is already facing severe challenges. Slowing train operations across a 140,000-mile network moving 1.5 million railcars at any given time would hurt the factories, farms, ports and local economies that rely on speedy and consistent rail service.

Over time, the rule would make railroads less competitive with other modes, lead to network disinvestment and shift freight from railways to publicly funded highways. Less freight rail means more local highway congestion and more greenhouse gases, as railroads today move 40% of intercity freight but account for just 1.9% of transportation-related emissions.

What Others Are Saying

Concerns about forced access are echoed by rail labor groups, passenger railroads, and major intermodal shippers. Hub Group wrote, "less switching results in better rail operations," while UPS said the policy could force them to move containers back to highways. Amtrak filed commentary that the potential disruptions would adversely affect passenger train operations, while rail unions expressed concerns about employee safety with increased switching.

Issue Background

Reciprocal switching involves a complex and time-consuming series of rail car interchanges—a single car switch can take 68 steps and 6 days to complete. Government mandated switching would deter railroads from investing and innovating by creating uncertainty about whether a given railroad could regain its investments into infrastructure. Rail routes, after all, are designed and built in consideration of the health and operation of the entire network. Plus, voluntary reciprocal switching already occurs through private negotiations between railroads, and the STB has existing authority to order switching in the event of anticompetitive conduct.

It's important to remember that railroads consistently stand out in logistics for their commitment to infrastructure spending—some $25 billion annually in recent years, which helped them meet supply chain challenges with resilience, moving more intermodal in the first half of 2021 than ever before. Freight demand is expected to grow 30% nationally by 2040. Especially now, as automation, e-commerce and supply chain upheaval alter the transportation landscape, it would be counterproductive to make railroads less competitive with other modes.

> *Forced access would allow the goverment to force **Railroad 1** to take **Railroad 2's** traffic because Railroad 1 would be required by law to allow competitors access to its network.*