United States Department of Agriculture

Transportation Updates and Regulatory News (TURN)

A quarterly publication of the Agricultural Marketing Service
www.ams.usda.gov/rules-regulations/transportation/turn
Third and Fourth Quarter 2022 (July - December)
Published July 2023

Grain Journal's Annual Transportation Issue Released

Grain Journal's May/June edition focuses on transportation. The 2022's edition featured a discussion of top transportation issues as identified by the National Grain and Feed Association (NGFA) and grain facility managers, as well as an update on river infrastructure projects. NGFA and industry leaders cited several issues negatively impacting the Nation's supply chain, such as poor rail service (e.g., lack of timely arrival and availability), sharp increases in fuel costs, and a shortage of truck drivers and parts. NGFA said poor rail service has caused its members to incur an estimated $100 million "in additional freight costs and lost revenues" in first quarter 2022. NGFA also praised the U.S. Army Corps of Engineers for prioritizing crucial inland waterway projects by modernizing locks and dams on the Upper Mississippi and Illinois Waterway.

Port of Houston Awards Contracts To Dredge Houston Ship Channel

On June 17, 2022, the Port of Houston awarded two contracts, worth $429.4 million, to dredge a 17.3-mile section of the Houston ship channel. The two firms performing the work are Weeks Marine (with a $329.6 million contract) and Curtin Maritime Corp (with a $99.8 million contract). The firms will widen one portion of the channel by 700 feet and another portion by 455 feet. The channel dredging is part of the Port of Houston's previously announced $1.1 billion expansion, to be completed by 2025. The expansion should allow the ship channel to accommodate 1,400 vessels per year and is expected to generate more than $134 billion annually. The Houston Ship Channel is one of the busiest waterways in the Nation. Its facilities have an economic impact of almost $802 billion and support more than 2.1 million jobs.

California Legislators Ask Governor To Exempt Truckers From AB5

On July 5, 2022, a group of California legislators asked the State's governor to "take any means within [his] authority" to delay implementing Assembly Bill 5 (AB5) or to exempt truckers from the law. Truck drivers must be exempted to protect their critical role in the supply chain, the lawmakers argued. AB5 took effect on July 1 following 3 years of appeals, after the U.S. Supreme Court declined to hear the California Trucking Association's petition. The new law requires employers to prove workers are independent contractors, rather than direct employees, and the law could result in a reclassification of all owner-operators within the State. The trucking and agricultural industries are concerned that AB5 could force California's 70,000 independent truck owner-operators to stop driving. The industries also believe a sudden decline in available drivers would compound the State's ongoing supply-chain backlogs and reduce needed drayage capacity in the ports of Los Angeles, Long Beach, and Oakland.

ATRI Releases New Report on Recruiting Young Truck Drivers

On July 11, 2022, the American Transportation Research Institute (ATRI) released a report examining how to integrate young adults, ages 18 to 25, into trucking careers. Analyzing data from surveys of young drivers, carrier interviews, and the latest workforce statistics, the research had several key findings: first, though partly motivated by pay, a majority of Millennial and Gen Z drivers consider other factors equally or more important for accepting or staying in a job. For example, 84 percent consider company culture important. In another finding, young adults respond positively to marketing materials that feature young employees and highlight expanded career paths. Lastly, structured feedback and coaching were key in successfully training Millennial and Gen Z drivers. The research also discusses ways to build the community-centered cultures that young drivers seek and to promote industry awareness among teenagers exploring career ideas. The full report can be found here. Recruiting young drivers has been widely recognized as a strategy to expand trucking labor pools and ease supply chain challenges.

Two Class I Railroads Announce Capital Plans for 2022

On July 27, 2022, Canadian National Railway (CN) and BNSF Railway (BNSF) released their capital investment plans for upgrading and maintaining infrastructure in key grain-producing States. Structures to be maintained and/or replaced include railroad tracks, railroad ties, road crossing surfaces, bridges, culverts, signal systems, and other track infrastructure. CN plans to invest $150 million in Illinois, $55 million in Minnesota, $20 million in Iowa, and $25 million in Louisiana, among other States key to grain transportation. BNSF announced a multi-year effort to add segments of double- and triple-track along its Southern Transcon route between Southern California and the Midwest. The route has also been central to concerns of California agricultural producers who have struggled to get feed from the Midwest. Although immediate concerns over rail service remain, these track investments could help improve the resiliency of the railroad over the longer term.

BNSF Opens Tacoma Domestic Intermodal Facility

On July 27, 2022, BNSF Railway (BNSF) and the Northwest Seaport Alliance (NWSA) partnered to develop a new rail hub at the Port of Tacoma. The new Tacoma South facility is part of a joint effort with J.B. Hunt Transportation Services to improve the port's intermodal capacity. The new facility will be able to accommodate over 50,000 annual container lifts. In mid-August, BNSF and J.B. Hunt will launch a direct container-only service between the Tacoma South facility and Chicago. The new service will increase container capacity and chassis availability. The collaboration will also help support greater warehousing and distribution in the Seattle area.

FHWA Invests $10 Million To Reduce Highway and Port Congestion

On August 10, 2022, the Federal Highway Administration (FHWA) awarded nearly $10 million for trucking-related projects in California and Kansas. The grant was funded by FHWA's Advanced Transportation and Congestion Management Technologies Deployment program. On U.S. Route 83, a two-lane corridor critical to freight transport in Kansas, a $6.7 million grant will help install 100 miles of fiber-optic cable and advanced technologies. The technologies will provide traffic, weather, and other information to optimize truck-freight routing and improve economic productivity. At the Port of Los Angeles's Gateway project, a $3 million FHWA grant will help implement cloud-based artificial intelligence (AI) to streamline the staging of cargo and empty returns. The AI application introduces a new approach to reducing port congestion by helping to direct cargo owners, truckers, and drayage drivers.

ATRI Updates 2022 Report on Operational Costs of Trucking

On August 10, 2022, the American Transportation Research Institute (ATRI) updated its 2022 annual report, *An Analysis of the Operational Costs of Trucking*, based on 2021 financial data from motor carriers. According to the report, the total marginal cost of trucking rose 13 percent in 2021 to $1.855 per mile ($74.65 per hour), the highest on record. Much of this increase stemmed from three factors: fuel (35 percent higher than in 2020); repair and maintenance (18 percent higher than in 2020); and driver wages (11 percent higher than in 2020). Overall, fleets with 100 trucks or fewer spent 4.9 cents more per mile than fleets with more than 100 trucks—closing the 2020 gap between small and large fleets by 70 percent. Among other findings, empty mileage fell to 15 percent, and average truck fuel economy rose to 6.65 miles per gallon. Large fleets spent less than small fleets on insurance premiums per mile, but had higher out-of-pocket incident costs per mile. The full report can be accessed here.

BNSF To End Embargo on Shipments into California

On August 18, 2022, BNSF Railway (BNSF) announced an end to its restrictions on shipments into California effective September 4, 2022. In late June 2022, BNSF began limiting shipments of some commodities, including some agricultural products, with the goal of improving performance. Since July 2022, a number of grain commodities and food products have been exempted from the restrictions. BNSF said the embargo enabled the railroad to "significantly reduce backlogs and drive greater efficiencies for trains moving both towards and in California, and throughout our network." In 2021, BNSF originated 51 percent of U.S. Class I railroad grain carloads, so strong performance from BNSF is critical to the grain industry.

FHWA Funds Emergency Relief Road and Bridge Repair

On August 31, 2022, the U.S. Department of Transportation's Federal Highway Administration (FHWA) announced it will provide millions of dollars in emergency relief (ER) funding to help repair roads and bridges damaged by storms, floods, wildfires, and other events in recent years. The ER includes disbursements to the following major grain-producing States: Missouri, $12.0 million; Ohio, $2.1 million; Illinois, $1.5 million; North Dakota, $1.3 million; Iowa, $750,000; and Minnesota, $230,000. FHWA notes that transportation infrastructure is facing more frequent and unpredictable damage from severe weather events. To address this rising threat, the agency intends the ER repairs to improve the infrastructure's durability.

New York/New Jersey Port Authority To Charge Dwell Fee for Empties

Beginning September 1, 2022, the Port of New York and New Jersey began charging ocean carriers a fee for long-dwelling containers in an effort to cull some empties from the dock. The fee is intended to encourage carriers to pick up their empty containers more quickly, to keep commerce moving through the port and region. Per the fee policy, a $100-per-container fee is assessed quarterly to carriers whose outgoing container volume does not equal or exceed 110 percent of their incoming volume. The fee will be reevaluated in the future. The fee is used to offset the cost of additional storage capacity and other expenses incurred by empty containers. In 2020, the port handled 1.1 million metric tons (mmt) of containerized grain, grain products, and soybeans. With this volume—13 percent of total containerized grain handled by all U.S. ports— the Port of New York and New Jersey ranked fourth in the Nation.

DOT Funds Road-Railway Separation at Port of Los Angeles

On September 7, 2022, the U.S. Department of Transportation awarded a $20 million grant for a critical, four-lane road-railway grade separation project at the Port of Los Angeles. The new roadway configuration will streamline truck access to a key 80-acre marine support facility (MSF) on the port's terminal island. Serving all terminals in the San Pedro Bay port complex, the MSF is used to store chassis and empty shipping containers. However, access to the MSF is currently impeded by several heavily used rail tracks and a tunnel with low vertical clearance. The new rail-roadway project will remove these obstacles and connect trucks directly to the highway system in two directions. The completed project will result in a reduction of 2,500 truck-hour delays daily; a decrease of more than 3,000 metric tons of emissions per year; and a reduction of 1,200 truck miles traveled per day (which will also improve safety in the area).

FMC Seeks Input on "Unreasonable Refusal To Deal" Definition

On September 13, 2022, the Federal Maritime Commission (FMC) had requested public comments on how to define an ocean carrier's unreasonable refusal to deal or negotiate regarding vessel space accommodation. The definitions of "refusal to deal" and "vessel space accommodation" are central to a proposed FMC rule, as mandated by the Ocean Shipping Reform Act of 2022 and explained in a notice of public rulemaking. According to the proposed rule, FMC would determine carriers' unreasonable refusal on a case-by-case basis. For example, the Commission might decide ocean carriers' practice of having their vessels depart the United States with shiploads of empty containers was unreasonable. The practice has left many agricultural producers unable to secure transport for their exports. Also, per the rule, the burden of proving an unreasonable refusal would shift from the shipper to the carrier.

Comments can be seen here. On June 14, 2023 The Federal Maritime Commission (FMC) issued a supplemental notice of proposed rulemaking (SNPRM) about how FMC would implement its prohibition on common carriers' unreasonably refusing available cargo space to shippers. This SNPRM follows and clarifies a previous one on the same issue. Stakeholders are welcome to comment on the SNPRM until July 31.

FMCSA Seeks Comments on Use of ELDs

On September 16, 2022, the Federal Motor Carrier Safety Administration (FMCSA) sought public comment on current regulations regarding the use of electronic logging devices (ELDs). The agency wanted to clarify the rules' language and address technical concerns raised by industry stakeholders. FMCSA sought comments on five areas for which it was considering changes: how the rules apply to pre-2000 engines; how to address ELD malfunctions; how ELD products should be removed from FMCSA's list of certified devices; how ELD technical specifications should be revised; and how ELDs should be certified. Comments can be seen here.

New FHWA Handbook Aims To Resolve Truck Parking Issues

Released in September 2022, a new Federal Highway Administration (FHWA) handbook gives States detailed procedures on how to assess demand for truck parking and boost their parking capacity. Truck parking shortages have been a national concern for some time and affect the safety of commercial motor vehicle drivers, as well as the efficiency of U.S. supply chains. Intended for use by private industry and local planning groups, the 80-page *Truck Parking Development Handbook* describes what determines parking demand and how to integrate truck parking where it is most needed. The publication also advises on how to conduct benefit-cost and economic-impact analyses of truck parking projects and how to develop such projects. To compose the handbook, FHWA worked in concert with the National Coalition of Truck Parking (NCTP), a group of stakeholders assembled by the agency. NCTP members hail from the public sector, transportation organizations, the freight industry, and other groups.

FHWA Announces First Bridge Investment Program Grants

In October 2022, the U.S. Department of Transportation's Federal Highway Administration awarded grants to 23 bridge construction projects in 23 states to help fund the projects' early planning phases. The grants will help communities modernize bridges, facilitating the efficient, reliable movement of goods throughout the country. Among the locations receiving grants were Iowa City, IA ($300,000); Gallatin County, IL ($48,000); and The City of Excelsior, MN ($269,600).

FMCSA Ends Hours-of-Service Waiver for Feed and Fuel

In October 2022, the Federal Motor Carrier Safety Administration (FMCSA) canceled its waiver on hours-of-service (HOS) requirements for trucks transporting feed, fuel, propane, and ethanol. After the waiver was first issued in 2020 to help address the national COVID-19 emergency, FMCSA extended the waiver more than 10 times, sometimes modifying it. Based on comments received during the most recent extension period through October 15, 2022, FMCSA decided to let the waiver expire.

Ports of Long Beach, Oakland, and Portland Receive $101 Million for Upgrades

On October 2, 2022, the ports of Long Beach, Oakland, and Portland received funding for substantial upgrades through the Port Infrastructure Development Program, a discretionary grant program administered by the Department of Transportation's (DOT) Maritime Administration. The Port of Oakland received $36.6 million for several container-storage-related projects: an off-dock container support facility, refrigerated container storage and plugs, and grounded and wheeled container storage, among other projects. The Port of Long Beach received $30 million to buy 60 electric yard tractors; construct electric equipment charging infrastructure; and install software equipment to improve cargo-handling operations within the Middle Harbor Terminal. The Port of Portland received $24.4 million to reinforce foundation work for 9 acres of flexible cargo storage and 30 acres of container yard, among other improvements. The Port Infrastructure Development Program is funded by DOT appropriations from the $65 billion Infrastructure Investment and Jobs Act of 2021 and other sources.

National Academy of Science To Conduct OSRA-Mandated Chassis Study

On October 3, 2022, with a $500,000 contract, the Federal Maritime Commission (FMC) commissioned the National Academies of Science (NAS) to study intermodal chassis pools and recommend best practices for managing them. As mandated by Section 19 of the Ocean Shipping Reform Act of 2022 (OSRA), a committee of independent experts is examining different approaches used by motor carriers, railroads, marine terminal operators, and other stakeholders to supply chassis to transport intermodal ocean containers. The research aims to determine which approaches and chassis models support maximum efficiency. For each model, the committee is identifying best practices, necessary conditions, and practical obstacles (as well as possible solutions) to implementation. Chassis constraints caused problems at several ports in 2022, even closing part of the Port of Oakland in May.

Department of Transportation Funding Alleviates Port Congestion

On October 6, 2022, the U.S. Department of Transportation (DOT) awarded grants—under America's Marine Highway Program (AMHP)—to several marine highway projects that are key to grain transportation. The funding will expand marine highway services to U.S. waterways and help alleviate supply chain issues and congestion at ports. Grant funds can be used to purchase low-emission U.S. manufactured equipment. DOT/AMHP-funded projects that are key to grain transportation include the following: Helena Harbor Container on Barge Project ($2.3 million) in Arkansas; M-5 Coastal Connection ($5.6 million) in California and Washington; M-55/M-35 Marine Highway Barge Projects ($2.4 million) in Illinois and Missouri; Baton Rouge-New Orleans Shuttle Barge Expansion Project ($1.1 million) in Louisiana; New York Harbor Container and Trailer-on-Barge Service ($5.2 million) in New York; Richmond Marine Terminal ($3.7 million) in Virginia; M-90 Transby Marine Highway ($3.3 million) in Wisconsin; and Tidewater M-84 Barge Service Expansion ($4.2 million) in Washington and Oregon.

FHWA Sends States Nearly $60 Billion in Infrastructure Funding

On October 11, 2022, the U.S. Department of Transportation's Federal Highway Administration released $59.9 billion in transportation infrastructure funding for fiscal year (FY) 2023. The money is going directly to States to support investment in critical infrastructure, including roads, bridges, and tunnels. Twelve formula grant programs will disburse the funds, to be allocated based on formulas set by Congress. In 2022, one such program—the Bridge Formula Program (BFP)—supported repairs on over

2,400 bridges, including the I-270 bridge replacement over the Mississippi River in Illinois. The BFP apportionment is 391 percent greater in FY 2023 than it was in FY 2021, the last year before the Infrastructure Investment and Jobs Act was implemented.

ATRI Releases 2022 Top Industry Issues Report

On October 22, 2022, the American Transportation Research Institute (ATRI) released its 18th annual *Top Industry Issues* report, which identifies the trucking industry's most pressing concerns. Survey participants included more than 4,200 trucking industry stakeholders, including motor carriers, truck drivers, industry suppliers, driver trainers, and law enforcement. In 2022, the top five concerns (in descending order) were fuel prices, the driver shortage, truck parking, driver compensation, and the economy. As the top industry concern, fuel price displaced the driver shortage, which had held the top spot for 5 years in a row. Among driver respondents (47 percent of the survey sample), truck parking, fuel prices, and driver compensation were the top three concerns. Among motor carriers (39 percent of the survey sample), the driver shortage, driver retention, and fuel prices were the top three concerns. The full report is available here.

STB Requires Railroads To Continue Reporting Service Data

On October 28, 2022, the Surface Transportation Board (STB) ordered the four U.S. Class I carriers—BNSF Railway (BNSF), CSX Transportation (CSX), Norfolk Southern Railway (NS), and Union Pacific Railroad (UP)—to continue reporting additional service metrics until May 5, 2023. In May, following a hearing on urgent issues in freight rail service, STB required railroads to provide weekly performance data, biweekly service progress reports, and monthly employment data for a 6-month period. In extending the reporting requirement, STB noted the four carriers had met some of their 6-month targets to improve service, but failed to meet others. On May 2, 2023 STB extended its decision to require BNSF, NS, and UP to continue to provide biweekly service progress reports until December 31, 2023. STB said the three systems had not yet made enough progress toward the operations, service, and employment goals they had hoped to reach this month. However, CSX was dropped from reporting requirement as the railroad has met its service targets for several months according to STB.

Low-Interest DOT Loan for $21.7 Million Replaces Bridges in Rural Louisiana

On November 14, 2022, the U.S. Department of Transportation (DOT) provided a $21.7 million low-interest loan to the Louisiana Department of Transportation and Development's Statewide Bridge Program. The Louisiana projects that will benefit from the loan include replacements of 11 structurally deficient bridges in rural areas of central and eastern parts of the State. The projects qualified for the Rural Project Initiative of DOT's Transportation Infrastructure Finance and Innovation Act credit assistance program. The Rural Project Initiative offers loans for up to 49 percent of a project's eligible costs, as well as fixed interest rates that are half the U.S. Treasury rate. According to USDA's National Agricultural Statistics Service, Louisiana produced a combined total of over 4 million metric tons of corn and soybeans in 2021.

UP Uncaps Demurrage Fees at Seven Inland Terminals

Effective November 28, 2022, Union Pacific Railroad (UP) removed its 14-day-storage caps on demurrage fees—essentially, storage fees—at seven inland terminals: Council Bluffs (Iowa), Dallas, Denver, Houston, Memphis, Salt Lake City, and St. Louis. According to the *Journal of Commerce*, UP's action was in response to a decline in containers piling up in Southern California amid sharply falling port volumes. The fees were originally capped when shippers were incurring penalties of more than $10,000 through no fault of their own, but rather, because their containers were made inaccessible (buried deep in stacks). As backlogs at the West Coast ports and inland terminals have subsided, UP lifted the caps as it anticipates "the more fluid activity" will continue.

Louisiana DOT Funds Construction of Transloading Park

On November 30, 2022, the Louisiana Department of Transportation and Development awarded a $1.5 million grant to New Orleans Public Belt Railroad (NOPB) to construct a transloading park in New Orleans. The NOPB—a Class III railroad—connects with the six Class I railroads that serve the Port of New Orleans (Port NOLA). The new facility will offer drayage carriers another way to access interstate and intrastate highways. Marking the first joint infrastructure venture between Port NOLA and NOPB, the transloading park will facilitate transfer of products between truck and rail. The project is also anticipated to expand options for cost-effective shipping and provide access to new markets. Construction is expected to begin in summer 2023, and engineering and design work is already taking place.

EPA Proposes Renewable Fuel Standards for 2023-25

On December 1, 2022, the Environmental Protection Agency (EPA) proposed a rule to establish 2023, 2024, and 2025 required renewable fuel standards (RFS) for production volumes and percentages of total U.S. fuel production. The proposed rule would also strengthen and expand the RFS program. By 2025, EPA proposes requiring U.S. production of 22.68 billion gallons of renewable fuel, up from 20.63 billion gallons in 2022. The proposed rule would significantly accelerate the growth of and investment in low-carbon renewable fuels. By establishing 3 years of RFS volumes (2023-25), EPA intends the certainty of that knowledge to help stabilize supply chains. On January 10, 2023, EPA held a virtual public hearing on the proposed rule. Public comments can be viewed comments here.

FMC Introduces Interim Procedures for Processing Charge Complaints

On December 1, 2022, the Federal Maritime Commission (FMC) announced its interim procedures to review, investigate, and adjudicate shippers' complaints of unfair charges by common carriers. According to FMC, "U.S. shippers … responded positively to the new opportunity." From June (when the Ocean Shipping Reform Act of 2022 (OSRA) was enacted) to December 2022, FMC received more than 175 filings. (OSRA mandated the new procedures.) Per the interim procedures, when a charge complaint is deemed "perfected" with sufficient information, FMC staff promptly investigates it. In cases where charges are found not to comply with the law, FMC will order a refund or waiver. FMC may then also initiate a separate civil penalty proceeding with its Administrative Law Judge. For cases in which an initial charge complaint is not referred to FMC's Office of Enforcement, the interim procedures outline several other possible recourses for shippers.

USDA Secretary Thanks Congress for Preventing Rail Crisis

In a December 2, 2022, press release, the Secretary of Agriculture thanked Congress "for taking swift action to prevent a potentially crippling national rail shutdown." A bill adopting the Tentative Agreement between railroad workers and carriers was passed by Congress on December 1 and signed into law by the President on December 2, 2022. With the legislation's passage, USDA's Secretary noted, "U.S. farmers and ranchers, as well as American consumers, can breathe a sigh of relief that the trains will stay on track to deliver food, inputs, raw materials, and other essential items across the Nation." He also affirmed the Administration's ongoing commitment to making "progress on fostering economic growth, strengthening supply chains, and supporting workers who deserve protections in the workplace."

Amid Expansion, Savannah Port Overhauls Ocean Terminal

On December 5, 2022, the Port of Savannah announced its plans to invest $410 million in upgrading one of its terminals to accommodate larger ships, while transforming the port's infrastructure, by 2025, to deal almost exclusively with container cargo. (See, also, *Grain Transportation Report*, April 14, 2022, third highlight.) Approved by the Georgia Ports Authority's governing board on December 5, the project will convert the ocean terminal to handle container cargo, and the terminal's berths will be upgraded to serve two large ships simultaneously, using eight new ship-to shore cranes. Although incoming cargo has begun to subside amid inflation and shifting consumer habits, August and October 2022 were two of the Savannah port's busiest months ever. Between January and October of 2022, the Port of Savannah exported approximately 40,000 TEUS of containerized grain, making it the fifth largest gateway for exporting containerized grain.

Port NOLA To Build $1.8 Billion Container Facility on LMR

On December 12, 2022, the Port of New Orleans (Port NOLA) secured $800 million of private investments toward the $1.8 billion Louisiana International Terminal project on the Lower Mississippi River (LMR). Currently in the design phase, the project is slated to begin construction in 2025 and estimated to open in 2028. Capable of handling 2 million 20-foot equivalent units (TEUs) annually, the terminal will include a 350-acre container facility with a 3,500-linear-foot wharf on more than 1,000 acres. Via the 50-foot-deep LMR Ship Channel, the terminal will serve vessels of all sizes (including ultra-large container ships). The depth of the channel will help vessels avoid height restrictions from bridges up the river. In addition to private investments, the terminal's construction will be supported by commitments from Port NOLA and State and Federal funding.

FMC Probes Shipping Lines' Compliance With Anti-Retaliation Law

On December 15, 2022, the Federal Maritime Commission (FMC) asked the top 20 U.S.-calling shipping lines to detail their compliance with new prohibitions on retaliation, in effect since June, 2022. Established by the Ocean Shipping Reform Act of 2022 (OSRA), the prohibitions apply to common carriers, marine terminal operators, and ocean transportation intermediaries. OSRA clarified that it is illegal for ocean carriers to discriminate or retaliate against a shipper for filing a complaint or challenging a charge. FMC's Vessel-Operating Common Carrier Audit Team will specifically focus on how companies are training personnel at all levels to act legally and to maintain awareness of the consequences of breaking the law.

Mid-Willamette Valley Intermodal Center Opens in Oregon

On December 16, 2022, the Mid-Willamette Valley Intermodal Center opened in Millerburg, OR, where it will primarily serve the local agricultural community. Brought to the Center by trucks, cargo in international containers can then be transferred to rail cars arrived from the Midwest, as well as from Denver, CO, and Salt Lake City, UT. The rail cars will then head to marine terminals in Seattle and Tacoma, WA. The $35.5 million, 64-acre Center was one of four projects to receive funding from the Oregon Department of Transportation's Connect Oregon program. The Center will reduce greenhouse gas emissions by substituting rail use for truck use. The Center will also give farmers alternative options for transporting goods to market, as well as reduce shipping costs, while boosting the local economy.

STB Issues Final Rules for Small Rate Disputes

On December 19, 2022, the Surface Transportation Board (STB) adopted final rules implementing two streamlined approaches for shippers and railroads to resolve rate disputes, worth up to $4 million in relief over 2 years: a voluntary arbitration program and a procedure known as Final Offer Rate Review (FORR). The voluntary arbitration program will begin only if all seven Class I carriers commit—within 50 days of the final rule's Federal Register publication date—to participating for 5 years. (If all Class I carriers commit, they will be exempt from the FORR procedure.) The final rule establishing the arbitration program took effect 30 days from its *Federal Register* publication date, and the final rule establishing the FORR procedure took effect 60 days from its Federal Register publication date. According to the STB Chair, "The two rules attempt to strike a balance between the competing interests of various stakeholders"—particularly, between shippers' preference for FORR and the railroads' preference for a voluntary arbitration program. He further observed that both rules "offer relief under similar timeframes, allow for flexibility to use different methodologies, and have the same monetary limits."

GAO Publishes Report on Precision Scheduled Railroading

On December 23, 2022, the Government Accountability Office (GAO) issued a report, *Freight Rail: Information on Precision-Scheduled Railroading* (PSR). This report describes stakeholder views of the effects of PSR on freight rail safety and service. While observing there is no single definition of PSR, GAO characterizes it as an operating approach with fewer railroad workers, fewer and longer trains, and fewer assets (e.g., railcars, locomotives, and facilities) than traditional railroad operations. Railroads emphasize the necessity of PSR for increasing "efficiency and reliability" of rail service, but shippers cite "reduced frequency and reliability." According to the Freight Rail report, the Surface Transportation Board (STB) maintains that the effects of PSR-associated changes are unclear, and the report highlights STB's various efforts to address concerns regarding poor rail service.

Preferred Citation

Mulik, Kranti. July 2023. *Transportation Updates and Regulatory News.* U.S. Department of Agriculture, Agricultural Marketing Service. Web. <http://dx.doi.org/10.9752/TS345.07-2023>

Photo credits:
Truck: Burt Barnes
All other photos: USDA

USDA is an equal opportunity provider, employer, and lender.