WASHINGTON, D.C. — American Fuel & Petrochemical Manufacturers **(AFPM) President and CEO Chet Thompson** issued the following statement on the official filing of the latest Class 1 freight rail merger application with the Surface Transportation Board (STB).

> *"American refiners and petrochemical manufacturers need competitive, efficient and reliable rail networks to produce the affordable fuels and products Americans depend on every day. Unfortunately, decades of bad service and price increases in the wake of freight rail consolidation leave us and other carload shippers highly skeptical of this merger. Unless the Surface Transportation Board can demonstrate conclusively that it will enhance competition across all modes of transport — especially between railroads — this merger application should be denied."* ***— Chet Thompson, AFPM President and CEO***

Additional information:

- The universe of Class 1 freight railroads has shrunk from 30 carriers in 1980 to six today — and 90% of rail traffic is controlled by just four.
- Crude oil, natural gas liquids (NGLs) and refined products represent 2.5 million carloads of U.S. freight rail traffic every year.
- This proposed rail merger would impact the heart of American refining and petrochemical manufacturing, giving one new mega-railroad control of 51% of petrochemical rail traffic and 41% of crude and NGLs.
- 75% of AFPM members are already "captive," meaning they are only served by one rail carrier and can't shop for better prices or service.
- Since 2004, freight rail rates have climbed 44 percent — more than twice the pace of inflation — while operating costs have risen by just eight percent.
- Lapses in rail service can force a refinery or petrochemical facility to reduce production rates and even shut down.

For more information on the importance of freight rail to the U.S. energy and petrochemical sectors and the decline of both quality service and competition in the freight rail space, see these AFPM resources:

- Why freight rail competition matters to American energy manufacturers and consumers
- Continued consolidation of U.S. Class 1 freight rail
- Reciprocal switching needed to address lack of freight rail competition & years of poor service
- Freight rail in America: Can a market be 'free' if there's almost no competition?
- Freight rail reform: Moving America's economy

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About AFPM:

The American Fuel & Petrochemical Manufacturers (AFPM) is the leading trade association representing the makers of the fuels that keep us moving, the petrochemicals that are the essential building blocks for modern life, and the midstream companies that get our feedstocks and products where they need to go. We make the products that make life better, safer and more sustainable — we make progress.

Topics

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